

**NOMINATIONS OF:
ALPHONSO R. JACKSON, LINDA MYSLIWY CONLIN,
AND RHONDA N. KEENUM**

**HEARING
BEFORE THE
COMMITTEE ON
BANKING, HOUSING, AND URBAN AFFAIRS
UNITED STATES SENATE
ONE HUNDRED EIGHTH CONGRESS**

SECOND SESSION

ON

NOMINATIONS OF:

ALPHONSO R. JACKSON, OF TEXAS, TO BE THE SECRETARY OF THE U.S.
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

LINDA MYSLIWY CONLIN, OF NEW JERSEY, TO BE A MEMBER OF THE BOARD
OF DIRECTORS OF THE EXPORT-IMPORT BANK OF THE UNITED STATES

RHONDA N. KEENUM, OF MISSISSIPPI, TO BE ASSISTANT SECRETARY OF
COMMERCE AND DIRECTOR GENERAL OF THE UNITED STATES AND FOREIGN
COMMERCIAL SERVICE

FEBRUARY 26, 2004

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THURSDAY, FEBRUARY 26, 2004

U.S. SENATE,
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
Washington, DC.

The Committee met at 10:04 a.m., in room SD-538, Dirksen Senate Office Building, Senator Richard C. Shelby (Chairman of the Committee) presiding.

OPENING STATEMENT OF CHAIRMAN RICHARD C. SHELBY

Chairman SHELBY. The hearing will come to order.

We have several nominees to consider this morning. I appreciate the willingness of the nominees to appear before the Committee. We will take them in two panels. First, the Committee will hear from Alphonso Jackson. Mr. Jackson is currently serving as Acting Secretary for the Department of Housing and Urban Development, which is also the position he has been nominated to fill. Previously, he served as Deputy Secretary for the Department of Housing and Urban Development.

Mr. Jackson, if confirmed, will also be the first HUD Secretary with a working background in public housing. He served as CEO and President of the Dallas, Texas, Housing Authority and also as the Director of the Department of Public and Assisted Housing here in Washington, DC. I will also note that he served as a Member of the National Commission on Severely Distressed Public Housing.

Our second panel will consist of Linda Mysliwy Conlin and Rhonda Keenum. Ms. Conlin has been nominated to be a Member of the Board of Directors of the Export-Import Bank of the United

States. Ms. Conlin currently serves as the Assistant Secretary for Trade Development at the Department of Commerce.

The Ex-Im Bank is the principal U.S. Government entity for financing the export of U.S. goods and services, and at the outset I might add this is a special month for the bank, as it celebrates its 70th year anniversary. As an independent U.S. Government agency, Ex-Im assumes credit and country risks that the private sector is unable or unwilling to accept. Prior to her appointment at the Department of Commerce, Ms. Conlin served as the Executive Director of the Office of Travel and Tourism for the New Jersey Commerce and Economic Growth Commission.

Also, on our second panel is Rhonda N. Keenum, nominated to be Assistant Secretary of Commerce and Director General of the United States and Foreign Commercial Service. Most recently, Ms. Keenum held the position of Senior Vice President at Edelman Public Relations.

Do you have an opening statement, Senator Sarbanes?

Senator SARBANES. Well, Mr. Chairman, being appropriately intimidated by the presence of so many of my colleagues at the witness table—

[Laughter.]

—bolstered also by Congressman Wicker. If I could give my statement after they have finished and before—

Chairman SHELBY. We will do that. Will everybody agree to that?

Senator SARBANES. Yes.

Chairman SHELBY. We will start with Senator Bond.

STATEMENT OF KIT BOND A U.S. SENATOR FROM THE STATE OF MISSOURI

Senator BOND. Mr. Chairman, Members of the Committee, and with apologies to my colleagues, I appreciate your allowing me to go first. Senator Mikulski and I are holding hearings right now on the VA-HUD budget.

Chairman SHELBY. A Committee that I belong on, too.

Senator BOND. Well, that is all right. We will cover for you, if you will cover for me, Mr. Chairman. But I am here for the very special privilege of joining in the presentation for Alphonso Jackson to the Committee as the nominee to be Secretary of Housing and Urban Development. I was blessed with this privilege 3 years ago when he appeared before the Committee to be Deputy Secretary, and I am delighted that the President has made such an outstanding choice.

I do not envy Al in this job. This might be considered a hazardous duty case where his willingness to take such a job might be evidence that should disqualify him.

[Laughter.]

But since HUD needs a brave leader, we should accept his sacrifice for the benefit of our Nation's public. This is a department deeply troubled with problems that plague almost every major program. Al has inherited, from OMB, a budget request for 2005 that undermines the financial viability and integrity of a number of important housing programs, including Section 8 and FHA. As a result, I am reminded of the Greek myth of Sisyphus, who is fated

to continually roll a bolder to the top of the hill only to see it roll to the bottom again.

If anyone is going to overcome the Sisyphean task of reforming HUD, that person is Al Jackson. I should know. I have known and worked with Al for more than 30 years, since I first ran for Governor of Missouri. Now, people in Texas claim him, but he holds a law degree from Washington University in St. Louis and has tackled successfully many of the toughest jobs in the City of St. Louis, from Director of Public Safety to Executive Director of the St. Louis Housing Authority, in addition to serving in both Washington and Dallas.

As we all know, Al has served as Deputy Secretary at HUD, and as Chairman of the Subcommittee funding it, I have worked with the deputy on a myriad of challenges, most of them bona fide headaches, and we need a strong leader with his experience to try to reform this outfit and make it as efficient as possible on behalf of those, some most desperate who need affordable housing.

Al is smart, dedicated, and creative. He represents a powerful combination of experience, knowledge, and ability. He has taken on the management task. As you indicated, Mr. Chairman, he knows the headaches that comes with running a housing authority. It is a little bit masochistic, but in Al's case, it is because he is someone who is deeply and profoundly committed to making all of our communities much better places to live. If anyone can make HUD work better, it is Al. It is with great pleasure that I wholeheartedly recommend Al to you and urge his speedy confirmation by the Senate.

Chairman SHELBY. Senator Hutchison.

**STATEMENT OF KAY BAILEY HUTCHINSON
A U.S. SENATOR FROM THE STATE OF TEXAS**

Senator HUTCHISON. Mr. Chairman, after hearing a description of the job, I am expecting Alphonso to walk out the back door right about now.

Seriously, I am so pleased to be here to support Alphonso Jackson. We have a rare opportunity to confirm someone to the top job who has served in so many of the jobs that this great responsibility entails. He has been there on the ground floor with housing agencies at the local level. He has been the Deputy Secretary, so he knows this agency. It will be a seamless transition to take over the reins of the office, and he deserves to be able to do that.

He has had, also, in addition to the experience that was already mentioned by Senator Bond, recognition for his leadership in the community. He has served on the boards of the National Commission on America's Urban Families, the Dallas Citizens Council, the U.S. Chamber of Commerce and the Boy Scouts of America. He has gotten the National Boys and Girls Clubs of America Chairman's Award, and he was named an Aspin Fellow by the Aspin Institute.

I worked with Alphonso when he was in Texas, both as the Head of the Housing Authority of the City of Dallas and as President of American Electric Power of Texas, a utility company in Austin. He has had business experience, and he has been in public service.

I have found him to be innovative and creative. There is nothing he will not tackle. He will put people together in the same room who have not spoken to each other in years, and he will try to

make them do what is good for the bigger community interests. So, I cannot think of a better person for this job, one who has the best experience and also can hit the ground running, and I hope that he will have a speedy confirmation.

Thank you.

Chairman SHELBY. Senator Cornyn.

**STATEMENT OF JOHN CORNYN
A U.S. SENATOR FROM THE STATE OF TEXAS**

Senator CORNYN. Thank you, Chairman Shelby. It is good to be with you and the rest of the Committee on behalf of this good man and his wonderful wife, Marcia. As the third Senator to speak on behalf of his nomination, I know what I am supposed to do, but I have just got to try to make it interesting, which is tough after you have already heard the nitty-gritty.

But I am advised on good authority that, while you may think that, based on what you have heard so far, Alphonso Jackson is a candidate for canonization, he is not a very good golfer—

[Laughter.]

—but he is a good man and highly qualified for this position. He will bring all of the great background that he has had in housing to this job, and a big vision to tackle the big challenges that we have already heard something about.

Like many Federal agencies, HUD's job is to, the task he has before him is to improve the way that HUD administers its various programs and improve the management at that agency. Of course, owning a home is the cornerstone of the American Dream, and the Department of Housing and Urban Development plays a crucial role in expanding homeownership opportunities for low-income families and many first-time homebuyers each year.

HUD, of course, encourages homeownership in a number of ways, including rental assistance and construction grants, Section 8 vouchers, Section 32 public housing homeownership program, the home investment partnerships, as well as ongoing efforts to end chronic homelessness. As a result of HUD's effort and the improving economy and low interest rates, homeownership in America is at an all-time high of about 68 percent.

So let me just say, in conclusion, how honored I am to be here before the Committee today, and particularly in support of a good man like Alphonso Jackson and someone who will do an outstanding job when confirmed to this position.

Thank you.

Chairman SHELBY. Senator Cochran.

**STATEMENT OF THAD COCHRAN
A U.S. SENATOR FROM THE STATE OF MISSISSIPPI**

Senator COCHRAN. Mr. Chairman, thank you very much for the opportunity to be here today. I am pleased to recommend to the Committee for confirmation Rhonda Keenum as Assistant Secretary of Commerce and Director General of the United States and Foreign Commercial Service.

I have known this nominee for 15 years, and in the spirit of full disclosure, I must tell you that she is a close personal friend of mine. In addition, her husband is my chief of staff. But I have

come to know her over the years as a very talented marketing and public relations manager with skills that I know will enable her to do a superb job in this important office. She has a strong sense of responsibility and accountability. Her proven management capabilities will be very useful as she works to discharge the responsibilities of this office.

I can personally attest to her good moral character, and her capacity for hard work, and her willingness to expend whatever amount of energy is required to accomplish a goal. I hope you can approve the nomination expeditiously. The Department of Commerce will benefit greatly from her immediate assumption of the duties of this office.

Chairman SHELBY. Thank you, Senator.
Congressman Wicker.

**STATEMENT OF ROGER F. WICKER
A U.S. REPRESENTATIVE IN CONGRESS
FROM THE STATE OF MISSISSIPPI**

Mr. WICKER. Thank you, Mr. Chairman, Ranking Member Sarbanes, and distinguished Members of the Committee, it is my honor and privilege to be here today, and I appreciate you accommodating Senator Cochran and me on our schedule. I will simply echo what Senator Cochran has said about Rhonda Keenum, and urge her swift confirmation.

I have known Rhonda for 10 years. She served as my Administrative Assistant in the U.S. House of Representatives. And I would simply say that she approaches every task with a great deal of energy, with a keen intellect, and perhaps just as important as anything, she is a people person. People like Rhonda Keenum. They like to work for her. They like to work with her, and I think that will be one of her great strengths for the Department of Commerce.

You are going to like working with her as a representative of the Administration and in your dealings with the Department of Commerce, and I am very honored to join Senator Cochran in giving her my highest recommendation.

Chairman SHELBY. Thank you very much, Senator Cochran. Thank you for your appearance.

Chairman SHELBY. Senator Sarbanes, do you want to pick up with your opening statement?

STATEMENT OF SENATOR PAUL S. SARBANES

Senator SARBANES. Mr. Chairman, I am pleased to join with you in holding these nomination hearings today and providing a timely consideration for the nominees. I will withhold my comments with respect to Ms. Conlin and Ms. Keenum because they are coming on in the second panel, as I understand it. We are going to have Mr. Jackson in the first panel.

Let me simply say that I think that the position for which Mr. Jackson has been nominated, Secretary of the Department of Housing and Urban Development, may well be one of the most challenging in the President's Cabinet. The responsibilities are very broad, overseeing the Nation's housing assistance programs, community development initiatives, Federal Housing Administration—to mention only a few.

HUD is charged with the task of providing decent and safe homes to millions of Americans. Regrettably, over the years, it has proven to be a very difficult department to manage. For many years, HUD has been considered troubled by the GAO in its surveys. And the Office of Management and Budget, the OMB, recently indicated that HUD must improve its performance in order to be considered effective. So overcoming this report card is of course a major challenge that faces any HUD Secretary.

Through the Federal Housing Administration, the Public Housing Program, the Section 8 vouchers, the HOME program and others, HUD ensures that more Americans have affordable places to call home. Through the Community Development Block Grant, the HOPE VI, the Rural Housing and the Economic Development Program, HUD helps transforms neighborhoods and communities into places of hope.

Regrettably, HUD budgets, under this administration, indeed, under past administrations, have been inadequate, and this year is no exception. The HUD budget submitted by the administration originally formulated by HUD, and then of course it passes through the Office of Management and Budget, and I want to be clear on that point, underfunds the voucher program by over a billion dollars, a cut which could lead to the loss of housing for approximately 250,000 low-income families.

The budget terminates the highly successful HOPE VI program, as well as Rural Housing, Economic Development and Brownfields. The HOPE VI program, of course, has been used by many communities to transform not only specifically the housing, but neighborhoods as well, and in the judgment of many has been a very successful initiative. Once again, the public housing is underfunded, threatening the Federal investment in the housing stock, as well as the homes of millions of Americans.

I think as long as we have this housing stock, we need to maintain and preserve it. And so one of the tasks that I think confront any Secretary is the fight for adequate funding for these programs. Make sure the programs work right and then fight for funding in order to carry the programs out. So there is this double challenge of being both an effective manager of the operations at HUD and also to be an advocate for adequate resources in order to carry the programs forward.

Finally, let me just make reference to the fact that there have, from time to time, been criticisms of the procurement and grant competitions at HUD. It is extremely important, of course, that the Department operate and be perceived to operate in a fair manner outside of political considerations or calculations, and that those who enter these competitions or seek to gain procurement contracts are assured of the validity of the process.

I think these are all very substantial challenges, and as our colleagues at the table indicated, this is a job of major importance, and the problems, some that I have enumerated here, are of significant dimensions. So, having set that stage, I think I will wait and have some questions for Mr. Jackson.

Chairman SHELBY. Senator Allard.

STATEMENT OF SENATOR WAYNE ALLARD

Senator ALLARD. Thank you, Mr. Chairman. I appreciate you convening this hearing to review the nominations of Mr. Jackson, Ms. Conlin, and Ms. Keenum. I appreciate this opportunity to hear from the nominees. In particular, I am interested to hear from Mr. Jackson. As Chairman of the Subcommittee on Housing and Transportation, I have followed the Department of Housing and Urban Development very closely for a number of years. And while the Department, as a whole, has been removed from the General Accounting Office's High Risk List, the GAO still rates a number of HUD's programs as highly susceptible to waste, fraud, abuse, and mismanagement, and clearly this must change.

I was amused to hear that Senator Bond also had a lot of the same observations that I just enumerated on. He was deeply troubled and was actually calling for reform. I appreciate the recent focus at HUD on homeownership, and particularly the focus on closing the minority homeownership gap. I am also supportive of efforts to devolve some of HUD's functions and eliminate layers of bureaucracy. I am interested in learning what initiatives you, Mr. Jackson, wish to continue and which you intend to change. Let me be clear, though, I believe HUD must focus on its core mission to provide decent, safe, sanitary, and affordable housing.

Good leadership involves a clear vision. The HUD Secretary must have a clear set of performance goals in mind, as well as ways in which the Department and Congress can measure progress in achieving those goals. Also, it is critical to consider the long-term sustainability of any progress made at HUD. The Government Performance and Results Act, or the Results Act, is a powerful tool toward that end. You have heard me ask questions in regard to that from time to time of various individuals who come from HUD to testify before the Congress.

I would encourage Mr. Jackson, as well as all of today's nominees, to become familiar with their Agency's strategic plan, annual performance plans, annual accountability reports and financial statements. If properly utilized, they can help you achieve success in your respective agencies.

Mr. Chairman, thank you, and I want to thank the nominees for appearing before the Committee, and I look forward to hearing from you. I will have more during our question and answer period.

Chairman SHELBY. Mr. Jackson, before your testimony, would you stand and be sworn. Hold up your right hand.

Do you swear or affirm that the testimony that you are about to give is the truth, the whole truth, and nothing but the truth so help you God?

Mr. JACKSON. I do.

Chairman SHELBY. Do you agree to appear and testify before any duly-constituted committee of the Senate?

Mr. JACKSON. Yes, sir.

Chairman SHELBY. Thank you. Mr. Jackson, your written statement will be made part of the record. You proceed as you wish. Welcome to the Committee. You have been here before.

[Laughter.]

But I am sure as Secretary you will be here a lot.

[Laughter.]

**STATEMENT ALPHONSO R. JACKSON, OF TEXAS,
TO BE THE SECRETARY OF THE U.S. DEPARTMENT
OF HOUSING AND URBAN DEVELOPMENT**

Mr. JACKSON. Mr. Chairman, Senator Sarbanes, and Members of the Committee, thank you for the opportunity to appear before you today. I would also like to thank Senator Bond, Senator Hutchison, and Senator Cornyn for their kind introduction.

With your indulgence, Mr. Chairman, I would like to introduce my wife, Marcia Jackson.

Chairman SHELBY. You may proceed. Welcome.

Mr. JACKSON. And I can assure you—

Chairman SHELBY. Have her stand up. The others did not see her.

[Laughter.]

Thank you.

[Applause.]

Mr. JACKSON. And I can assure you I would not be here without her support and especially her enduring patience.

Let me begin by expressing my profound gratitude to President Bush for his friendship and for his confidence in nominating me as the next Secretary of Housing and Urban Development. In my mind, the highest honor that can be bestowed upon an individual is to be asked to serve their country.

I am delighted that President Bush has asked me to continue my service to a Department to which I have great pride and great expectations. HUD's mission calls upon us to provide new opportunities and new tools for every American who seeks a better quality of life. With help and encouragement from the Department family across the Nation, we can lift them toward prosperity. And I will tell you today that I understand the journey in a very personal way because it is my own.

I come from a family of very humble means. I am the last of 12 children born to Arthur and Henrietta Jackson. We never had a lot of money growing up in Texas, and my father juggled three jobs to keep food on the table. But our household was never short on love. My siblings and I were blessed with devoted parents who made certain their children were well-prepared to face the world. They stressed again and again that with education and strong work ethics, we could accomplish anything we chose to tackle. If my mother and my father were with us today, they would no doubt be proud of the path that I have chosen.

I have been guided through my life by the belief that the best way to serve our neighbors in need is to empower them to pursue their dreams. As a college student in 1965, I traveled to Alabama to help register black voters during the defining days of the civil rights movement. These were violent times, and I witnessed vicious acts of inhumanity. But I also saw the hope of a better tomorrow which was a strong and motivating force for me.

Before coming to HUD, as you have heard, I ran Public Housing Authorities in St. Louis, Washington, DC, and Dallas. We faced the same problems that your community deals with today. This gave me insight in to the needs of Public Housing Authorities and how HUD related to them. Through my chairmanship of two community development block grant agencies, I gained the practical under-

standing of ways in which HUD works in partnership with State and local Governments to rejuvenate American cities. I emerged with a strong idea about how HUD could work better for families and communities.

My experiences as a public servant are balanced by my work in the private sector. There, I learned the importance of effective management and a successful enterprise. Whether in Government or in business, sound management and excellent program performance are critical to an organization's success.

Committee Members, as you have just stated, I am acutely aware of HUD's troubled past. Through its history, the Department has been plagued by management challenges that left it vulnerable to waste, fraud, and abuse. Early in the Administration, the President made it clear that restoring credibility and accountability to HUD must be our top priority. And so I worked alongside of Secretary Mel Martinez to instill a new commitment to real results in HUD's program areas and a new commitment to the highest ethical standards in our workforce.

I have visited 30 of HUD's field offices in virtually every State represented by the Committee. At each office, I met with employees to get their thoughts on how HUD's leadership could help them better serve the communities in which they work. After hearing their suggestions, I undertook a strategic realignment of HUD's entire field office structure. Decisions that used to be made in Washington have been delegated to our regional and local offices. Today, they are making decisions for themselves that used to get lost in a layer of bureaucracy at headquarters.

We are striving to make HUD work better and smarter than it has in years. I am personally proud that we are helping more people than ever realize the American Dream. Homeownership last year climbed to an all-time high of 68.3 percent, and now, for the first time ever, more than half of all minority households owned a home in their community.

As you know, increasing the number of homeowners, and minority homeowners in particular, is one of President Bush's domestic priorities and a personal priority of mine.

I want to thank the Chairman and the Committee Members for their leadership in enacting the American Dream Downpayment Act last year. Our shared commitment will help 40,000 families annually become homeowners. HUD continues its work to simplify the process of buying a home and making it less costly for consumers. The President has proposed a tax credit that would spur the creation of affordable homes in communities where they are desperately needed today. And we offer families new opportunity to become self-sufficient by helping them make the move from assisted housing to homeownership.

With your support, and the support of HUD partners at the grassroots level in the industry, I want to build upon these achievements. It is within our power to solve the challenges of housing affordability, availability, and community renewal.

Mr. Chairman, as you can see, I feel very passionate about the issues of housing and community development. It lies at the heart of HUD's mission, but more importantly, I am passionate about the people that our program touches, the young families taking out

their first mortgage, the homeless person climbing the ladder of self-sufficiency, the single mother moving out of public housing into her own home, the senior citizen living in dignity in retirement, and the child playing safely in a home free of toxic lead.

If confirmed, I intend to remain a forceful advocate for those who turn to HUD for help.

The Department of Housing and Urban Development holds tremendous promise as an agency of empowerment. I look forward to working with Members on both sides of the aisle to meet the challenges ahead of us, as we strengthen HUD's ability to carry out its mission and to help fulfill the Nation's housing agency's promise to all of Americans.

Thank you, Mr. Chairman and Committee Members.

Chairman SHELBY. Thank you.

Mr. Jackson, one of your responsibilities as the Deputy Secretary, which you are currently or have been, is to oversee personnel and hiring practices. In 2000, Congress specifically exempted HUD's Manufacturing Housing Program from the Department's employee ceiling. This was done because we felt that staff reductions had been damaging to the Manufactured Housing Program.

Can you tell the Committee this morning what has been done to implement this separate hiring procedure for the Manufactured Housing Program, how many additional staff have been hired since the passage of the 2000 Act?

Mr. JACKSON. The latter part first, Mr. Chairman.

Chairman SHELBY. Go ahead.

Mr. JACKSON. I cannot tell you the number now, but I will surely get you that.

Chairman SHELBY. Will you furnish this for the record.

Mr. JACKSON. Yes, I will.

I can tell you that as of the last year we have made a tremendous progress to fulfill the commitment that was made by Congress to do that. Initially, I must tell you we had so many problems facing us to correct many of the audits, many of the things that had not been done that Secretary Martinez and I concentrated on trying to resolve some of the serious issues that was just delineated by Senator Bond and Senator Allard to cure those problems.

I think we have done a very excellent job of doing those, and I can assure you right now that regarding Manufactured Housing, it is absolutely imperative that we get that started to the point that you wanted it, both for myself and for Assistant Secretary Weicher because I informed him almost 2 months ago that we must begin to do that in a very systematic manner. I will not sit here and tell you that 2 years ago we did everything we could because that, in essence, would not be the truth, but it is a top priority with us at this time, and I can assure that 2 months from the day I appear before you it will be done.

Chairman SHELBY. One of the very important insights I believe you bring to the position of Secretary is your service on the Commission for Severely Distressed Public Housing. Out of this Commission's report came the HOPE VI Public Housing Revitalization program. Do you believe the HOPE VI program has fulfilled its mission in addressing the most severely distressed public housing?

Mr. JACKSON. I am in a very unique situation, and I have to confess to the Senators today that I have a bias in the sense that I was one of the four people who spent one night and basically helped write up the legislation that eventually became the HOPE VI legislation as we know it. I must tell you that I think we have to have levity to this, that after a second glass of wine, I came to name it Housing Opportunity for People Everywhere is what HOPE stands for.

I believe that when we were empowered as a commission, we came to the conclusion that we had about 89,000 severely distressed public housing units in this country. It really had to be addressed, and we could no longer permit people to live in the squalor or in those huge monstrosity of buildings that they had done for almost 30 or 40 years.

What we said would be the ideal circumstances would be to integrate low- and moderate-income people, both socially and economically into the fabric of this country, and that is what we wanted to do with the HOPE VI program. I believe that the HOPE VI program, as stated a few minutes ago by Senator Bond, is a great program. My concern with the program is that we have allocated to date, \$5 billion. Today in the pipeline, we still have over \$3 billion unspent. The program has been in effect now for almost 10 years.

But the other thing that I think is so important, Mr. Chairman, is that we have only had about 21 successful HOPE VI projects completed out of almost 200 that have been funded in the last 10 years.

Chairman SHELBY. What is the problem?

Mr. JACKSON. The problem has been, in many cases, the Housing Authorities have not necessarily fulfilled their obligations. We have given them money, through the HOPE VI grants, with the understanding that they would leverage those monies to develop both socially and economically viable communities.

Chairman SHELBY. How do you square that? How are you going to make that work?

Mr. JACKSON. Well, we are trying right now. We have sent out, and we are getting great response in the last year and a half telling them that we were going to recapture the money if they did not start moving very quickly on those projects.

And I must tell you today we have a number of projects that are 6 to 7 years old that the cities have begun to move on very quickly, but that is what it took. And I thought, when we created this program, and I still feel today, that those 20 or 21 HOPE VI programs that have been done, they have been done very well, and they are the model around the country, whether it is in Charlotte, whether it is in Dallas, whether it is in Philadelphia. They are models.

But the key becomes do we continue to fund a program that has not operated very effectively and very efficiently, and I think I have heard on a number of occasions, and even just a few minutes ago Senator Allard, when he was talking about HUD, alluded to the point, that we have to be very efficient and effective because we do not want waste, fraud, and abuse. In this case, I think that clearly the program has not operated as we expected it, and that does not mean that the program is not good. My position is, if the program

demonstrates the commitment, I think it would be well worth looking at it again.

Chairman SHELBY. President Truman always reminded us the buck stopped here. It will stop with you as HUD's Secretary, would it not?

Mr. JACKSON. Yes, sir.

Chairman SHELBY. Operation of the FHA General Insurance and Special Risk Insurance Fund had been stopped several times last year. At least on one occasion, this was relayed to Congress too late to do anything about it.

Do you have any thoughts on avoiding this situation from reoccurring?

Mr. JACKSON. Yes. During my conversations with you and a number of your colleagues, this question was brought up, and I assured you that we will never be in that situation again. We have allocated \$35 million. But what I will assure you and a number of your colleagues, and I will assure you today, that by May, if we see there are serious problems in the 2005 budget, we will let you know.

We will not wait until June or July to come before you to tell you that at this point we are spending at a faster rate than we expected. That has been the problem with us, and I take full responsibility at HUD for not informing you much quicker and much earlier in this process. You have my word today that we will not put the Senate in a bind again to come to the situation that you have to fund us on a very quick basis. We will give you ample notice.

Chairman SHELBY. Senator Sarbanes.

Senator SARBANES. Thank you, Mr. Chairman.

Mr. Jackson, in mid-2002, HUD reinterpreted its Section 8 contracts to allow owners of property which had been refinanced to opt out of their longstanding affordability restrictions. This really was an unexpected decision, given that these properties had been refinanced for over 20 years with HUD approval. And strong opposition was registered with Secretary Martinez, and while he did not retract the decision, HUD did not move actively to implement the policy.

We now understand that HUD is planning to send out guidance to field offices asking them to contact all Section 8 owners with refinanced properties and underscoring to them their option to opt out of the affordability restrictions. The National Council of State Housing Finance Agency estimates that 100,000 affordable units could be affected. It seems to me this has very severe implications.

Could you undertake to review this policy decision and not to take actions to implement this reinterpretation until the review is fully complete? I think there is a need to do that.

Mr. JACKSON. Senator Sarbanes, I will not comment on the actions of Secretary Martinez, but I will say to you today that I share your view, and the National Low-Income Housing view, that we cannot afford to permit these Section 8 developments on a project-based subsidy to be lost because it creates a serious problem for us. My position is that we will do everything in our power to keep those persons and those landlords within the program.

Senator SARBANES. Thank you.

An issue regarding the use of disability funds by HUD has come to my attention. Up to 25-percent of the funds provided for in the Section 811 program, which provides for housing for people with disabilities, may be used for tenant-based rental assistance, but we understand that HUD has not issued guidance on the use of these funds for this purpose nor monitored this aspect of the program.

Are you aware of these concerns, and what plans are there to monitor the use of these funds?

Mr. JACKSON. Senator Sarbanes, I am not aware of that specific area, but I will get back to you very quickly with an answer as to the approach. My position is, if it has been allocated for that purpose, it should be used, but I just cannot give you an answer pro or con at this point.

Senator SARBANES. Well, if you could look into it and get back to us, I would appreciate that.

Now, I want to call to your attention the views and estimates with respect to the fiscal year 2005 budget adopted yesterday over on the House side by the Financial Services Committee of the House of Representatives. I am going to take a moment just to quote from that.

The fiscal 2005 budget request for Section 8 is \$1.6 billion below the HUD projects are needed to renew all Section 8 assistance. This could result in the elimination of funding for up to 250,000 vouchers. The budget includes legislation of block grant, the Section 8 voucher program.

I am now quoting from the House Committee.

The main feature of this proposal is elimination of the right which Housing Authorities now have to rent to a specified number of families and to receive funding to cover the full cost of such assistance. Instead, Congress would block grant each Housing Authority into a lump-sum amount, which in the first year alone is \$1.6 billion less than is necessary to serve the same number of families now being served nationwide.

The block grant feature would let funding spiral downwards in future years. The result is that Housing Authorities would have to make either major reductions in the number of families they assist or in the subsidy provided to each family or more likely a combination of the two.

The proposal also eliminated most of the current statutory tenant protections, offering Housing Authorities other flexible options to implement these deep cuts. Housing Authorities could simply cut the subsidy level, an option made possible by the Administration's proposal to end the current rules under which each voucher holder pays no more than 30 percent of net income for a fair market rental unit in their community.

Housing Authorities could also implement the cuts by moving out poor people from the program and replacing them with families that are not as poor. This option is made possible by the Administration's proposal to eliminate the targeting of scarce voucher resources for the most in need.

Now, this was language the Financial Services Committee on the House side adopted, and it obviously is a response to what is perceived as potentially or perhaps very substantial changes in the voucher program. It seems to me there has been a lot of effort in the Congress to move toward vouchers. A lot of my colleagues have been very supportive of that. We have moved away from a direct provision of governmental housing toward vouchers and an effort to interrelate with the private housing market. What is your response to this statement?

What can we do about it? Obviously, we are facing quite a pressing problem here. Last year, we had a shortfall on vouchers, and we were able in the Congress to come up with additional money in

order to try to deal with that voucher situation, but we are facing it seems here an even more pressing situation.

Mr. JACKSON. Senator, three-fourths of our budget basically is for assisted housing. If we take the Section 8 program over the last 2 years, it has increased by 22 to 23 percent. I want to assure you that anyone that is on a Section 8 certificate today will not be removed from that Section 8 certificate, but we have a turnover of about 8 or 9 percent a year in our certificates program. What we have suggested and what we believe today is that in that turnover, the process, those vouchers and certificates can better be used in a strategic manner by addressing what we call today the working poor family, and in the process giving them an opportunity.

From our perspective, the Section 8 program initially was created as a transitional program between public housing and self-sufficiency or market-rate rental units. I do not believe that we can sustain our present increase if we continue as we have done over the last 2 years at 23 percent. We had to look at ways of addressing the situation. I can tell you, yes, I do not think we will ever resolve the problem of having enough certificates or vouchers for everyone to use, but I believe that the program that we are trying to institute by giving the Housing Authorities the flexibility to use the vouchers as they so see will increase the utility, rather than decrease the utility of the process.

Let me give you an example of what I mean. Even if we today have a family of four in San Francisco, and we go up to 150 percent of median, it is almost impossible for them to find a decent, safe, and sanitary place to live in San Francisco.

I think with the flexibility that we will give the Housing Authorities, it will give them the option to decide whether they will go to 160 or 170 percent of median to address the need of the family of four, and I think they should have that opportunity. I can tell that when I ran the Dallas Housing Authority, even with the other two, I would have loved to have had the flexibility to utilize the certificates and vouchers to best address the needs because I can remember, on a number of occasions, the average outstanding voucher was 13 to 14 months in Dallas before a person found a place, and in some cases they still did not find a decent, safe, and sanitary place to live.

So, I do think that we are trying to work with the industry, and I look forward to working with the industry and getting their input to try to best serve those persons most in need.

Senator SARBANES. Mr. Chairman, I see my time is up. I do not want to impose on Senator Allard.

Chairman SHELBY. Thank you.

Senator SARBANES. There will be another round. Just let me note that the Housing Authority people are telling us across the country, aside from the problem of going to a block grant and no longer guaranteeing the vouchers, that they are \$1.6 billion short of what they need to sustain existing vouchers. They regard it as a shell game. In other words, this responsibility is being thrown on them, and there is an immediate shortfall in the resources with which to meet this responsibility.

I mean, you have a separate argument, and we may be on opposite sides of that one, as a matter of fact, but you would have a

separate argument if the funding level was completely adequate to the existing program, and then you just had to address the block-granting aspects of it, but this is compounded here because of the shortfall.

Mr. JACKSON. May I answer?

Chairman SHELBY. Yes, sir.

Mr. JACKSON. Senator, I think you are aware, and I am aware, that yearly we have returned somewhere between \$1.2 billion and \$1.8 billion in Section 8 unused funds to the Senate. I think what we are seeing is those unused funds in many cases is what we are speaking, in my mind, reference today. I think we are funding the Section 8 program at a level that I think will address the needs.

I do believe that it is clear to me that the new proposal that you put in place that we funded at a certain level will have an effect, and I think we are addressing that at this point in time. I do not see, from HUD's perspective, where we are anyway denigrating the existing program, the existing vouchers and certificates we have already allocated to the Housing Authorities around the country.

Senator SARBANES. I will pursue it later.

Chairman SHELBY. Thank you. We will have another round.

Senator Allard, thank you for your patience.

Senator ALLARD. Thank you, Mr. Chairman.

You have heard a lot of discussion this morning about accountability with HUD. In fact, accountability has been a word that has come up frequently in our hearings in the Congress on housing issues and HUD. And I would just like to hear, just briefly, what you view as the relationship between the Congress and HUD, for example, or the executive branch and what you feel are the proper roles for each.

Mr. JACKSON. Senator, I have a very simple answer for that. I believe that Article 1, Section 7 says that Congress is the appropriators, and our relationship with them is that they appropriate the funds that are necessary for us to carry out the responsibility that you have given us to carry out, and that it is the mission at HUD is to provide decent, safe, and sanitary housing. And if we do not carry out that mission, we are not carrying out the edicts that you have set us to do.

Senator ALLARD. Well, as you know, I agree with your efforts. I support getting more people into homeownership, and I have carried legislation to see that happen, but I do have some concerns about HUD's responsiveness to Members of Congress. The most controversial thing that we have facing us right now, and I think you are well aware of it, is HUD's RESPA proposal, and it has garnered a great deal of attention and discussion from Members of Congress. I have a few questions about the extent to which you have heard from the public and from Members of Congress. If you could answer those briefly, I would appreciate it.

How many comment letters did HUD receive during the comment period, and then how many letters did they receive during the current OMB review period? Do you have any figures on that?

Mr. JACKSON. We received about 40,000 either letters or e-mails during the initial period, and since being over at OMB, I think we received about 1,200.

Senator ALLARD. And then as a part of the regular comment period or as other correspondence, how many House and Senate Members have contacted HUD regarding the RESPA proposal?

Mr. JACKSON. That, Senator, I could not answer how many have contacted.

Senator ALLARD. Would it be safe to say a surprisingly large number?

Mr. JACKSON. I would say quite a number, yes.

Senator ALLARD. And of these comments——

Senator SARBANES. Surprisingly, maybe not.

[Laughter.]

Senator ALLARD. And of those comments, were any supportive of HUD's specific proposal that is before us now?

Mr. JACKSON. Not to my memory.

Senator ALLARD. And how many phone calls and meetings have occurred with Members expressing concern about HUD's specific proposal?

Mr. JACKSON. I cannot speak in reference to Secretary Martinez, but I can speak in reference to me, and I think I have had eight or nine.

Senator ALLARD. And then the previous Secretary had a fairly numerous amount of meetings, I would assume.

Mr. JACKSON. I cannot really answer that. I really cannot answer that. I can really answer for myself.

Senator ALLARD. Now, since HUD issued its proposed rule, how many Congressional hearings have been convened regarding RESPA?

Mr. JACKSON. I think one has been convened since—no, no, I am sorry. Do you mean since——

Senator ALLARD. Yes, since this proposed rule. We have had a lot of hearings on RESPA.

Mr. JACKSON. Yes.

Senator ALLARD. But since HUD issued its proposed rule, how many Congressional hearings have been convened on RESPA in both the House and the Senate?

Mr. JACKSON. I am not sure. I think five or six.

Senator ALLARD. A number of them at least.

Mr. JACKSON. Right. Yes.

Senator ALLARD. And during those hearings, has HUD received any feedback from Members in support of its specific proposal?

Mr. JACKSON. Not to my knowledge.

Senator ALLARD. Additionally, would it be fair to say that very serious concerns have been raised by key authorizers in both the House and the Senate?

Mr. JACKSON. Yes.

Senator ALLARD. And, would you be able to can you cite any instances in which Congressional Members have offered support for HUD's specific proposal?

Mr. JACKSON. Not to my knowledge.

Senator ALLARD. Yes, I cannot recall any either. I, for one, find this situation incredible. In taking on RESPA reform, HUD managed to come up with a proposal that was unanimously opposed by industry and consumer groups. I could possibly understand,

though, if HUD believed that there were factors which outweighed these concerns and explained its reasoning to Congress.

What I cannot fathom, though, is the arrogance of an agency that yet again is blatantly disregarding clear Congressional direction. As evidenced by the responses to my question, there is no room for ambiguity and Congressional opinion of the direction in which HUD is headed. So why does HUD persist? Do you believe that HUD is not accountable to the Congress or do you somehow believe that HUD has judgment superior to that of Congress?

As Chairman of the Housing Subcommittee, I take responsibilities as an authorizer very seriously, and I fail to understand why you would believe it appropriate for me or any of my colleagues to concede that power to the Department. HUD is a troubled agency and merits very careful scrutiny and an extremely high threshold of Congressional accountability.

Unfortunately, I have not seen any evidence of such an understanding and, in fact, quite the opposite. HUD continues to press forward with a RESPA proposal and thumb its nose at Congress. At a very minimum, HUD must have leadership that clearly understands the constitutional framework in which it is charged with implementing the laws written by Congress, not in implementing its own version.

There is no uncertainty in this, and in continuing to move forward, HUD has demeaned the Congress as an institution and belittled the constitutional process. As a result of the concerns I have raised here today and the answers I have received on those concerns, I will be unable to support this nomination at this time, Mr. Chairman, and I would hope that HUD would listen more closely to what the Members of the Congress and the American people are saying as far as RESPA is concerned.

Thank you, Mr. Chairman, and perhaps, Mr. Jackson, you would like to respond.

Mr. JACKSON. Thank you. I understand.

Chairman SHELBY. I think Mr. Jackson got the message.

Mr. Jackson, while you have been in an acting—oh, excuse me, Senator Carper. Senator Carper is recognized. I was getting ahead of him, and should not have. I apologize to you.

STATEMENT OF SENATOR THOMAS R. CARPER

Senator CARPER. Thank you.

Mr. Jackson, welcome today.

Mr. JACKSON. Thank you, Senator.

Senator CARPER. It is good of you to come before us. We appreciate the spirit of service that you bring to your responsibilities.

I was here when I think you introduced a number of members of your family. I was just outside the door when I heard the applause. I do not know if that was for you or for the members of your family.

Mr. JACKSON. Actually, it was for my beautiful wife, not me.

[Laughter.]

Senator CARPER. Would Mrs. Jackson raise your hand.

How are you? Nice to see you. Thank you for sharing your husband with the rest of us.

You were good to visit with me within the last week. I just want to follow up. I had promised you there were a couple of things I wanted to explore with you, and what I would like to do is just to touch on a few of those now.

One of those is Section 8 housing vouchers. As I mentioned to you before, I was elected to serve in the Senate. I served as Governor of Delaware for 8 years. And one of the things that I focused on a whole lot was self-sufficiency. I know that is of interest to you, and how do we foster self-sufficiency on behalf of people who have not been self-sufficient for much of their lives.

I was involved, as a lead Democratic governor in the National Governors Association in 1995 and 1996 as we worked with the Clinton Administration and the Congress to fashion welfare reform as we know it today. And I am sure you recall, and others in the room will recall, how welfare used to be an entitlement program, Aid to Families with Dependent Children, and if a person walked into a welfare office in any State they could sign up for AFDC if they met the particular requirements. It was an entitlement program. They could be entitled to welfare for a really long time.

What we did, under welfare reform, was we changed the nature of the program so that a person walks into a welfare office in Delaware, instead of saying, "How would you like to go on welfare?" we say, "How would you like to go to work?" And we say, "What can we do to help you find a job, get to a job, meet your health care needs, your child care needs, and become actually better off than you otherwise would be on welfare?"

I have heard some people saying, in trying to block grant the Section 8 voucher program, we are actually building on the success that we have enjoyed in welfare. We have seen the welfare rolls cut by about half. I want us to focus on whether or not that is a good basis of comparison or not today.

We are also in the throes of considering whether or not to authorize the successor to Aid to Families with Dependent Children, AFDC, something called TANF, T-A-N-F, Temporary Assistance for Needy Families. What we did about, oh, gosh, over a half-dozen years ago, was we block granted AFDC, and we renamed it TANF. We asked the States how much money they thought they would need, and they have been pretty much provided with that amount of money, and we are about to reauthorize, hopefully, reauthorize TANF.

And even though the welfare rolls are down by half, we are not going to cut the block grant. It is going to stay the same, and the reason why, as I am sure you know, is we use, States use, local governments use a lot of the TANF money not for cash welfare payments. In fact, I think maybe only half of the block grant is now used for cash welfare payments. The rolls are down by half. But what we used to do was we used a lot of the monies, to wrap around, and to help support those who have gone to work, help them to get to work, to provide for their child care needs and other things so that they will actually be better off and be more likely to succeed.

Let us just talk a little bit about how block granting Section 8 housing vouchers is similar or dissimilar to what we have gone

through with respect to AFDC, TANF, and the block grant approach there.

One last thing, one last "P.S. " I used to say, when I was Governor and testifying before the Congress on this block granting proposal for welfare, I would say, you know, we need to create a rainy day fund. When Congress authorized the creation of TANF, they actually do have a rainy fund that was created. It is not really a rainy day fund. It is really what I call a "rainy month" fund because if the economy runs into trouble, and we end up with a whole lot more people on welfare, there is enough to carry a higher caseload for a couple of months.

But let me stop talking and just ask you to share some of your thoughts with us, reflect on similarities or dissimilarities to what we have done with TANF.

Mr. JACKSON. Let me say, Senator Carper, I do believe that the Section 8 program, from my years running three major Housing Authorities, that the program was supposed to be transitional, to help people, from my perspective, from St. Louis all the way to Dallas, by helping families move from public housing or from substandard housing into self-sufficiency.

When I was at the Dallas Housing Authority, I tried to use the certificates and vouchers that way, rather than as a sustained substitute in many ways for public housing. I do not think that should be the case for the certificates and vouchers. Am I sensitive that we have many persons that are underserved or that will go unserved? Yes. I think there is no question. Even if you and your colleagues allocated 40 more billion dollars today, we would still have a serious problem in this country.

But I do think that it is our responsibility to try to negate that problem as much as possible, and I also think it is our responsibility not only to serve the neediest of the needy, but also to serve the working poor in this country. These are persons who pay 50 to 55 percent, not of their adjusted gross income, but of their income, for rent. So, clearly, if we could give them a helping hand, and we are doing that through your support to the American Dream Downpayment and other programs, like HOME. But if we can continue to give them, as well as the lowest of the lowest, the chance to move out of poverty to other areas, I am going to support it.

Now, if you notice, Mr. Senator, I do not ever use the term "poor" because my mother and father told me that poor was a state of mind, not a condition. I said low-income people. And even they are 30 percent or less of median, they are still low income, but if they are 50 percent, they are low income, if they are 60 percent, they are low income. And I think that we need to look at the stratum of low-income people in this country and where they are within that stratum and say how can we help them, first, get into conventional rental housing; and second, to get into homeownership. That should be our task, not to keep them consolidated in public housing developments or on 10 or 12 years on Section 8 certificates and vouchers.

I think, again, to give accolades to the Senate and to the Congress, you all did a great job with TANF. You see people are beginning to move, and they work. I think if we demand this, people will take the responsibility.

Let me close with a story because I think it is very important. I appeared some years ago, when I first went back home to Dallas to run the Housing Authority, and I made a suggestion that public housing residents should have the opportunity to pay rent. Many of my colleagues that I serve with now said, "No, it is not going to happen."

Well, I got a chance, through the Congress, through HUD, to do a pilot program. The strangest thing happened. Everybody paid \$25 a month for their rent, and there was no mass exodus from public housing.

What I am saying to you is that I have confidence in low- and moderate-income people. And I think if you ask people that I have served for—and notice I did not say people that have worked for me because I think that when you get in these jobs, you service—ask people that I have served, whether it is in St. Louis or Washington, DC, and some of them are here today, I believe in their sense of worth.

My father said something that I keep in mind; that every human being has the same sense of worth as every human being, and if you do not perceive them that way, they will never act that way.

So, I believe that our task is to help every low-income person to try to transform themselves from total dependency to self-sufficiency, and that means everybody—not the people who can do it like the people who are sitting in this room, but those who are less fortunate.

Senator CARPER. Mr. Jackson, that is I think an eloquent statement. I am not sure it was an answer to my question.

Mr. Chairman, my time has expired, and I want to be mindful of, but can I just dwell on this just for a moment?

Chairman SHELBY. Go ahead, Senator.

Senator CARPER. What I am getting at is this: An amount of money was allocated in a program that used to be an entitlement program which became a block grant. What you are proposing to do is to turn the Section 8 voucher program into a block grant to say to the State and local governments, to Housing Authorities, this is how much money you have to work with. There are those, when we attempted to block grant AFDC, who said, "This is never going to work. We are not going to have enough money. What if we have a recession?"

And what I am asking you to do is, based on the experience that we have gone through with TANF, to come back and explain to us why is this going to work. And you have heard from Senator Sarbanes. He just raised I think very serious concerns about the adequacy of the funding, and the fact that we know that there are a lot of people out there that are going to be needed to be served. We know the rents are going to go up, and he was contending, and I think others would contend, there is not enough money already available. You suggest that there is.

What I am asking you is, looking back, help us to look forward. Looking back at TANF and AFDC, look forward with what you are proposing and do so briefly.

Mr. JACKSON. I think the block grant program will work, and we are not block granting it to the States. I think we got a clear "no," on that last term. The block grant would be to the Housing Au-

thorities. And basically the block grants will be in the amount that the Housing Authority have been allocated for certificates and vouchers. And I think if they utilize those certificates and vouchers as they have in the past, we are not going to be short.

So, I believe that it will work. Will there be a substantial increase? No. I think we have seen a 23-percent increase the last 2 years. I do not think we can sustain that. It is three-fourths of our budgets, and I think we have to look at that like we look at everything. What is the best approach to address the needs?

And I think, from my perspective, we can do one of two things, Senator, and I would say the same thing to Senator Sarbanes. We can either continue at the current rate, which is 10- or 12-percent a year increase in the Section 8 program, or we can try to bring the Section 8 program within and make sure still it serves the same persons that we are so interested in serving. I think we have tried to do that in a very efficient and effective way without in any way hurting any present certificate holder or voucher holder.

Senator CARPER. Did you say, just 30 more seconds here, if I could, did you say earlier that the people that are graduating out or are leaving Section 8 vouchers, roughly 8 percent? Did I hear you say that about 8 percent of the people who are currently are leaving?

Mr. JACKSON. It vacillates. Some years it is 12 percent. Some years it is 8 percent.

Senator CARPER. Well, let's say it is 10 percent.

Mr. JACKSON. Yes.

Senator CARPER. Are you saying that if, in year one, we are going to serve everybody that is being served now, after year one 10 percent of the people—let us say we start with 100 people, make it easy, 100 people that we are serving. After the first year, we end up with 10 fewer people. We have 90 people. After the second year, we end up 9 fewer people. We have 81. After the third year, we end up with 8 fewer people. We have 73.

It does not take very long until you are not serving a whole lot of people through this program, if I understood what you said correctly.

Mr. JACKSON. That is not necessarily true. I am saying to you that—

Senator CARPER. And we have not added anybody new, but simply—

Mr. JACKSON. Oh, no, I am saying to you, yes, when people move off of the program, we are adding people new into the program. And these persons might not meet the 30-percent adjusted gross income requirement. They might only require 50 percent of adjusted gross income.

Now, as you know, we have two sets of rules how we put it. The vouchers and certificates, you cannot go with 30 percent of adjusted income—I mean certificates—but vouchers you can go up to 50 percent. So, clearly, we will be saving money, from our perspective, and addressing the needs because everyone might not be as critical in need. Even today—let me say this to you—we have people, when they are homeless, that clearly jump over other people on the waiting list. That has been the case. Even though the other people are in dire need of certificates or vouchers.

So my position is, yes, we will be saving money, and I would be happy, Senator Carper, to sit with you in your office and go over the analysis.

Senator CARPER. Good, I will bring my calculator.

Mr. JACKSON. All right.

Senator CARPER. You bring yours.

[Laughter.]

Mr. Chairman, thank you.

Chairman SHELBY. Thank you.

Senator Sarbanes.

Senator SARBANES. I want to follow up with what Senator Carper was asking you. This growth in that budget has, in part, been stimulated by HUD, and I approve of what HUD did. The utilization was low on the part of the PHA's. HUD made the point to them that you are getting authorized these vouchers, but you are not utilizing them. What is wrong? You have people needing housing, and you are not delivering on it, and the PHA's went out, and they made a real effort, and they have now boosted their utilization rate up to about 97 percent, which is quite, historically, quite high.

And I think that accounts for this upsweep that you see. So, I do not see you projecting out the same increase in costs in future years, unless there is an increase in the number of vouchers that are authorized, but at the moment, we are just looking at what has been authorized, and how you meet that and the fact that people are holding these vouchers. You do not get in the situation Senator Carper indicated, in which they come empty, you do not renew them, and the amount of available housing is diminishing instead of increasing.

Your own budget documents from HUD indicate reduction in program cost with respect to the tenant-based and moderate rehab vouchers, \$1.633 billion. That is your own document. So we are not—I mean, you may give us documents. We may disagree with them and cite a different figure. At the moment, I am using your figure in terms of the shortfall. I think this issue obviously needs to be revisited.

I have to tell you I think we are confronting a budget cut that has been imposed from somewhere, and we are in search of a policy rationale for it, and I do not think that policy rationale is there.

Now, we have a vote. I want to put one other question to you before we break.

Mr. JACKSON. Yes, sir.

Senator SARBANES. I mentioned, in my opening statement, the importance of the procurement and grant competitions that HUD has to conduct. Over the years, I have stayed out of efforts so, you know, people are bidding for a contract or from HUD you have a competitive bidding process, and it seems to me you do not want people weighing in trying to get that bidding process decided by political weight as opposed to the merits of the bid. Otherwise, how do you make policy and how do you run Government under that circumstance? But I do feel strongly that the bid process must be fair, and people must understand that it is fair.

Now, you had a situation where the losing bidder—and we know this because they are a corporate citizen in our State—protested the award and went to the GAO under the established procedures.

The GAO found that there was disparate treatment in evaluating the proposals, that the two companies were not—the competing companies—were not treated fairly, that the record did not support the Agency's conclusion, and they went on to say that the Agency seemed to have adopted a double standard, and the GAO recommended that HUD reopen the acquisition and engage in discussions, obtain revised proposals, evaluate those proposals, consistent with the GAO findings, and make a new award determination.

Now, my understanding is that HUD is undertaking to do this, but we are getting reports which greatly concern me, that, first of all, not enough time is being provided for the resubmission of the bids, and I had been led to believe that enough time would be provided which I think is of elemental fairness and that requests have been made about clarifying the new bids and responses have not been coming to that request.

Now, both of those concerns seem to me to involve matters of elementary fairness. I also think, and I do not know what you are doing on this, that the second bid process should be determined by a group different from the ones who did the first bid process and who were so sharply criticized by the GAO.

This does not seem to me to be a difficult problem. All we need is to be assured of the fairness of the rebidding process, which the GAO has pointed out. Of course, you have taken the first major steps because you are engaged in that process. Can you take care of these other aspects of this situation?

Mr. JACKSON. Surely, Senator. I agree with you totally in your assessment. The only thing I guess I would say is that we perceive that the persons who carried out the first process are fair. There might have been some mistakes made. But I have absolutely instructed them to make sure that in this process of reopening the concerns that were raised by GAO, that we do this in a very, very fair manner.

The second part of your response, when you say that some of the information that was requested by this company, we have made sure that that information is forthcoming, and I can assure you that we will give them substantial time to respond to that. We are not going to, in any way, cut short—if they have not received any information that they have asked for, and they have not received it in a timely manner, we will take that into consideration.

As I told you before, we are not going to in any way rush this process. We are going to give them every opportunity to respond.

Senator SARBANES. Well, they need the information, and then they need adequate time in order to consider it.

Mr. JACKSON. That is correct.

Chairman SHELBY. Mr. Jackson, I have three questions I am going to submit to you for the record because we have to vote, Senator Sarbanes and I, and then we will come back and we will get to the second panel.

The first question—and you do not have to answer it now—but this deals with HUD's lack of a chief financial officer. You know the problem. Will this Committee see a nominee for the chief financial officer in the near future? What are your plans in the interim to ensure that HUD maintains adequate internal controls and accounting systems?

Personnel management at HUD. Second, a significant share of HUD employees will be eligible for retirement over the next several years. In addition, HUD has historically had difficulty attracting talented people. This issue is one of your primary responsibilities, and what have you done to keep knowledgeable staff and attract talented new staff? We would like to know that, for the record.

Subprime loans, FHA subprime loans. For several years running, the Administration has proposed a new subprime loan product within FHA. We have yet to see legislative language. Can you provide some information and details on this proposal, if you would, for the record. We appreciate this. We are going to let you go now. We await the answer to that.

Chairman SHELBY. Thank you for appearing here today, and the Committee is going to be in recess for the next 10 to 15 minutes. [Recess.]

Chairman SHELBY. The Committee will come to order.

First of all, I think all of you know how the legislative process works, and we have been voting and so forth.

I know that the first panel, the nominee to be the HUD Secretary, took a while.

If I could, I would like to swear you both in. Please stand and raise your right hand.

Do you swear or affirm that the testimony that you are about to give is the truth, the whole truth, and nothing but the truth, so help you, God?

Ms. CONLIN. I do.

Ms. KEENUM. I do.

Chairman SHELBY. Do you agree to appear and testify before any duly-constituted committee of the Senate?

Ms. CONLIN. I will.

Ms. KEENUM. I will.

Chairman SHELBY. Thank you.

Your written testimony will be made part of the record.

Ms. Conlin, we will start with you and go from there.

**STATEMENT OF LINDA MYSLIWY CONLIN, OF NEW JERSEY,
TO BE A MEMBER OF THE BOARD OF DIRECTORS OF
THE EXPORT-IMPORT BANK OF THE UNITED STATES**

Ms. CONLIN. Thank you, Mr. Chairman.

It is indeed an honor and a privilege to appear before you today as the President's nominee to become a Director at the Export-Import Bank of the United States.

I appreciate the confidence that the President has placed in me, and I am deeply grateful to President Bush for giving me another opportunity to serve my country. If confirmed, I look forward to working with the Members and staff of this Committee.

I would like to recognize my husband, Joe, who is with me here today—

Chairman SHELBY. Joe, please stand up so we can see you.

Ms. CONLIN. He is easy to see—and my 87-year-old mother, Helen Mysliwy.

Chairman SHELBY. She is more important.

Ms. CONLIN. Yes, and I know she joins me, Senator, in thanking you for pronouncing my maiden name and her name correctly.

Chairman SHELBY. I had to work on it. Thank you.

Ms. CONLIN. You did a great job.

I would also like to recognize, Mr. Chairman, the colleagues from the Department of Commerce and the fine team from the Ex-Im Bank who have provided me with such great support.

I know the Committee has my biographical information, so I will not go into detail about my qualifications; I would ask that they be submitted with this oral statement.

Chairman SHELBY. They will be made a part of the record.

Ms. CONLIN. Thank you, Mr. Chairman.

Mr. Chairman, today, exports of goods and services in this country support more than 12 million jobs. They are good jobs, paying as much as 18 percent more than the average. If confirmed, I will be committed to helping American exporters and workers succeed in what has become an increasingly competitive global economy.

At the same time, I am mindful of what Secretary of Commerce Don Evans often says, "that governments do not create wealth and prosperity—people do. It is government's role to create the right conditions in which America's workers and businesses will flourish."

Creating the right conditions to grow export-related jobs means providing exporters with the tools to compete in today's global economy. During my 19 years in Federal and State government, including my current position as Assistant Secretary of Commerce for Trade Development, I have helped companies, both large and small, gain access to world markets by providing the support that they need to reach those markets.

Representing Secretary Evans as an ex officio member of Ex-Im Bank's Board of Directors, I have come to appreciate the critical role that access to export and project financing plays in enabling our companies to compete.

I also know, Mr. Chairman, that today's small and medium-size businesses represent 97 percent of exporters, yet generate 30 percent of all exports. I am pleased to see that Ex-Im Bank has placed a priority on cooperation among the 19 members of the Trade Promotion Coordinating Committee to leverage Federal resources in reaching this important community of potential exporters.

I also look forward to helping Chairman Merrill implement his broad vision of providing competitive products to the new knowledge-based service economy as well as traditional industries, if confirmed.

I look forward to working with the Committee Members as well as Chairman Merrill, Vice Chair Foley, Directors Grandmaison and Cleland, the career professionals at Ex-Im Bank, the trade team of the Administration and the exporting community in meeting these challenges.

Mr. Chairman, I respectfully ask for the Committee's favorable consideration of my nomination and will be pleased to respond to your questions.

Chairman SHELBY. Thank you. I will assure you that we will move your nomination as expeditiously as possible and also Ms. Keenum; I think you both have broad support here.

Chairman SHELBY. Ms. Keenum.

**STATEMENT OF RHONDA N. KEENUM, OF MISSISSIPPI,
TO BE ASSISTANT SECRETARY OF COMMERCE AND
DIRECTOR GENERAL OF THE UNITED STATES
AND FOREIGN COMMERCIAL SERVICE**

Ms. KEENUM. Thank you, Mr. Chairman.

It is a privilege to come before you as the nominee for the position of Assistant Secretary and Director General of the United States and Foreign Commercial Service.

I am humbled and honored that President Bush would nominate me for this role. And I am eager to take on the challenge.

I would first like to thank Senator Thad Cochran and Congressman Roger Wicker for their kind remarks. Both of these distinguished leaders mean a tremendous amount to me and my family, personally and professionally.

I would also like to express my sincere thanks to Secretary of Commerce Donald Evans, former Deputy Secretary Samuel Bodman and Under Secretary Grant Aldonas for their support of me personally and of my nomination.

And I would be remiss if I did not thank my spouse of 20 years, over my left shoulder, Mark Keenum—do you want to stand, honey—

Chairman SHELBY. We see a lot of him in the Senate.

Ms. KEENUM. What makes America the greatest Nation in the world is the entrepreneurial spirit of the American people no matter what their background.

Growing up in Mississippi, I was a first-hand observer of the power of that entrepreneurial spirit. My father, James Newman, left public service after almost a quarter of a century to pursue his dream of starting his own business, and pursue it he did—risking limited family savings, stable employment and my mom's sanity in the process. His risk and investment some 25 years ago continue to generate precious dividends in the tangible evidence of community jobs, interstate commerce and income that even now, some 4 years after his death, provides a financial safety net that my family would not have otherwise had.

This story—my story—illustrates the power of small businesses all over this great country. Small businesses create more than two out of every three new jobs and generate about 50 percent of our Nation's gross domestic product.

In this time of great change in our domestic and international economies, it is imperative for our Government to assist American businesses to obtain access for their products and services in the international marketplace. This is not only the mandate of the U.S. and Foreign Commercial Service, but it is also the dedicated focus of its programs and employees.

The Commercial Service's worldwide network achieves this goal every day by linking American suppliers with international buyers, advocating for their best interests with foreign governments, and ensuring a level playing field. The programs and expertise provided by the Commercial Service are critical to the success of American companies in competing and winning in global markets. I have observed the efforts of Commercial Service employees to assist American companies in often difficult circumstances, and have been impressed with their skills, dedication, and pride in public service.

If confirmed, I commit to a continuous assessment of, and investment in, both the development of innovative trade programs and the complex network that delivers them. My goal will be to ensure that the Commercial Service not only continues to meet the high expectations that our clients have of us, but also that we exceed those expectations.

I will look to maximize the synergies we have with State partners, as well as local partners, industry associations, and sister Federal partners to provide companies in all States with access to the tremendous opportunities available to them through exporting.

If confirmed, I welcome the challenge to lead the trade promotion arm of the Federal Government. My two decades of work experience have been driven exclusively by client, constituent, and consumer accountability. Those years of managing public relations campaigns, leading field-based organizations, developing and adhering to complex budgets, building coalitions, and motivating and mentoring staff have prepared me for the myriad of opportunities ahead.

If confirmed, I pledge to conduct myself with unwavering commitment, taking ownership of every action, standing up for entrepreneurial ideas, like those of my father, and standing by the over 1,600 dedicated public servants that have long made the Commercial Service an organization that leads rather than follows.

If confirmed, I will pursue the stewardship of the Service with energy, integrity, accountability, and a diligent awareness that we are here to serve our clients—American businesses.

Mr. Chairman, thank you for the opportunity to be here today. I also want to say thank you and appreciation to family and friends.

I will be happy to answer any of your questions and welcome your comments.

Chairman SHELBY. Thank you very much.

I will start with Ms. Conlin. We understand, Ms. Conlin, from your testimony and your background that you bring a lot of experience and understanding from your 2½ years at the Department of Commerce working with Secretary Evans on trade development issues.

Maybe you could go into a little more detail regarding what trade development is and what that really entails. How do you feel this Government initiative has helped create the right conditions to promote U.S. exports and develop new markets for U.S. products, which is crucial to us in this economy? What measures would you recommend be taken in this area?

Ms. CONLIN. Mr. Chairman, I had the privilege of working with some 370 industry sector and trade specialists at Trade Development who cover major sectors of the U.S. economy. Our focus has always been to strengthen the global competitiveness of U.S. businesses, to expand exports and the jobs they create, to address any barriers that may exist to trade, and to advocate on behalf of U.S. businesses seeking large foreign government contracts. In all of those ways, I believe that our trade development team has been very, very successful.

In fact in advocating on behalf of business, I have worked very closely with Ex-Im Bank's Board.

Chairman SHELBY. I am sure you are aware of a hearing that we held at this Banking Committee last year regarding the Trade Promotion Coordinating Committee or TPCC which allowed us on the Committee to take a closer look and hopefully get a better understanding of our national export strategy.

Ms. CONLIN. Yes.

Seeing that the Ex-Im Bank is an integral member of the TPCC, what steps would you like to see taken in identifying ways to expand coordination among the TPCC agencies and enable our trade policy to optimize and take advantage of all the resources we have?

Ms. CONLIN. Mr. Chairman, if confirmed, I would look forward to the opportunity of working with Chairman Merrill and the Board on helping to really leverage Federal resources in the best way possible and coordinate Federal resources to reach that large universe of potential exporters that I talked about earlier.

I think it is really incumbent upon all the agencies of the Federal Government to continue to work together through an organization like the TPCC. Working through the TPCC will enable us to really reach this large universe of small and medium-size businesses that may be unaware of the services that the Federal Government provides so that we can bundle and package these services together.

Chairman SHELBY. I know you are aware of the Export-Import Bank decision in December to formally establish a \$500 million short-term loan facility to support the Trade Bank of Iraq. This measure was part of a broader, 16-nation agreement to provide \$2 billion in such support. This is in addition to the \$13 billion pledged during the Madrid donors' conference in October.

What are your thoughts, if you have some, regarding the Ex-Im Bank's future role in Iraq and this outstanding loan, especially as Iraq makes the transition to a sovereign government?

Ms. CONLIN. It is my understanding, Mr. Chairman, that the Bank has not approved any transactions to date.

Chairman SHELBY. Okay.

Ms. CONLIN. That is at least my understanding. But having said that, let me say that establishing democracy in Iraq and restoring economic freedom is critical to the future of Iraq. In that regard, Ex-Im Bank in supporting our U.S. exporters and providing goods and services critical to the reconstruction of Iraq is absolutely essential. And if confirmed, I look forward to working with the provisional Iraqi Government, with the Coalition Provisional Authority, and other U.S. agencies to ensure that our exporters will continue to play a role.

Chairman SHELBY. Thank you.

Ms. Keenum, the Office of Management and Budget's Program Assessment Rating Tool gave the United States and Foreign Commercial Service a rating of "Adequate." This rating was critical of the Service in a number of areas, including its practical utility when compared with alternative means of executing key parts of its mission, its failure to achieve or even adequately measure its annual performance goals and, most important, its failure to adequately measure its cost of doing business and consequently to budget accordingly.

I do not expect you this morning to address the PART's rating here today, but I would appreciate it if you could respond a little

bit and give us an overview—how could you address this rating criticism, for the record? If you want to do it for the record, you can do that.

Ms. KEENUM. If confirmed, as I stated in my earlier statement, one of the first things that I will look to do is assess the existing products and services and the entire delivery system of the Commercial Service to ensure maximum impact for positive benefit for small and medium-size businesses.

I cannot speak to the OMB rating specifically, but we would be glad to provide something in writing for you.

Chairman SHELBY. All right, if you could do that for the record.

Ms. KEENUM. I would be glad to.

Chairman SHELBY. Ms. Keenum, the position to which you have been nominated is a key component, as you well know, in the execution of this country's national export strategy. By overseeing 1,700 United States and foreign-based commercial officers whose responsibility it is to assist American companies to identify new opportunities for business in foreign countries and to navigate the bureaucratic mazes that often stand between them and the sale of their goods and services abroad, you are in a sense, to borrow from the military, "at the tip of the spear," or you will be.

I would not expect you to say anything that contradicts your support for the Administration's budget request for export promotion activities, including the mission, for the International Trade Administration, for which an additional \$11 million was included in the 2005 budget. Could you share with the Committee your thoughts on whether the resources the Administration allocates for export promotion activities is adequate to keep pace with the growing number of bi- and multi-lateral trade agreements that the Administration is currently negotiating? In other words, this seems like a little bit of money to tackle a big, big job.

Do you foresee a need for additional resources as market opening agreements continue to be concluded as you get into the job?

Ms. KEENUM. Mr. Chairman, I will never say that I will never come and ask for money, but if confirmed, again, adhering to my earlier point about assessing the delivery system and the products to ensure maximum impact for small and medium-size businesses and also within the jurisdiction of the Commercial Service—as you know, it is the trade promotion arm of the Federal Government—so within the jurisdictional powers that I will have, diligence and stewardship will be key; I can assure you of that.

Chairman SHELBY. Ms. Keenum, you will be assuming this position during an unusual time, as you know. The U.S. dollar has weakened considerably against major foreign currencies, especially the euro. Only through currency pegs and manipulation have the Chinese and Japanese currencies not grown relative to the dollar. The up side to the weaker dollar, as we all know, is increased exports. Unfortunately, the job growth that would normally accompany such an increase has failed to materialize. We are all hoping and praying.

While there are no doubt macroeconomic explanations for the failure of the economy to generate more jobs consistent with the economic revitalization we are witnessing and the growth in exports, many of us in Congress are viewing the situation with con-

cern. The U.S. Commercial Service touts its mission as creating economic prosperity and, "more and better jobs for all Americans." I like that.

Clearly, this is an issue that transcends the position for which you have been nominated; it is macroeconomics. I would like to ask you, however, how do you envision yourself in your new position approaching the current problems with respect to job creation? I know you cannot do it all, but you will have a bit of it.

Ms. KEENUM. Yes, sir. If confirmed, I do recognize the measure of responsibility as it relates to, frankly, promoting the awareness of the United States and Foreign Commercial Service. A lot of people just do not realize that it is out there. I often wonder what my dad would have done if he had known about the United States and Foreign Commercial Service 15 years ago.

Chairman SHELBY. What business was he in? A lot of it?

Ms. KEENUM. Excuse me?

Chairman SHELBY. Was he in a lot of business?

Ms. KEENUM. He actually was in one. He salvaged airbags for used automobiles. If an automobile is wrecked, and the passenger airbag does not inflate, for example, my father saw a market in that about 20 years ago and created a warehouse so that at any point in time, you could go in, and if you had a 1997 Nissan, whatever it might be, or a Honda Accord, he could provide either a driver's side or a passenger side airbag for you.

Chairman SHELBY. He sounds like a resourceful man.

Ms. KEENUM. He was, he absolutely was.

But getting back to your point—

Senator SARBANES. Where is that warehouse located?

Chairman SHELBY. Not in Maryland.

Senator SARBANES. I assume in Mississippi.

Ms. KEENUM. It is. It is in northeast Mississippi.

Because I have been a witness to the power of that entrepreneurial spirit—promoting the awareness of the Service and its products and its services will be a key objective of mine.

Chairman SHELBY. Thank you.

Are U.S. exports, especially those enjoying the benefits of the weakened dollar, representative of a shift in the U.S. economy toward goods and services that do not bring with them increased employment? Some of our economists have spoken to that.

Ms. KEENUM. Mr. Chairman, a lot of economists have gotten in trouble, I think, in the last several weeks for speaking, so I am not even going to try to speak to that. But the currency issue, again, I understand—I know it is an issue—and in assessing the products and services and the global environments in which we operate, that is certainly key.

Chairman SHELBY. Ms. Keenum, you will be the lead office in trade promotion for the Federal Government. The Committee has a large interest in the activities of the Trade Promotion Coordinating Committee. I have mentioned this earlier. In the past, the position to which you have been nominated worked closely with the TPCC. If confirmed, you will now essentially be the principal office overseeing the Trade Promotion Coordinating Committee.

Do you believe that the current structure of the Federal Government for trade promotion is optimal; are there areas for improve-

ment, or will you need to get into the job and have a little time before you can answer that?

To the extent that there are areas where the structure and process could be streamlined or improved, could you provide the Committee some sense of how you would go about that? And if you feel like you need to get into the job before you answer that, that would be fine, too. You may proceed as you wish.

Ms. KEENUM. Yes, Mr. Chairman, I would ask that if I could submit those for the record in writing to you at a later time.

Chairman SHELBY. Fine.

Ms. KEENUM. But if I might add that the TPCC is one of the most amazing uses of our Government's dollars, and sitting to your right and to my left, the architect of TPCC, and the understanding that with limited resources, there has to be collaboration and coordination. I would certainly look to, again, assess how we can contribute to its continuing success.

Chairman SHELBY. Thank you.

[Written responses of Ms. Keenum follow:]

Chairman SHELBY. Senator Sarbanes.

Senator SARBANES. Thank you very much, Mr. Chairman.

I am pleased to join you in welcoming before the Banking Committee this—I was going to say this morning—this afternoon—

Chairman SHELBY. Yes, it is afternoon now.

Senator SARBANES. —these two nominees, and I have just a few questions to ask them.

Ms. Conlin, you of course have been the Assistant Secretary of Commerce for Trade Development and by all accounts have done a good job there and actually have had quite extensive responsibilities. You also oversee the Advocacy Center, as I understand it, at Commerce—

Ms. CONLIN. I do.

Senator SARBANES. —which assists U.S. companies in competing for contracts for major capital projects abroad.

Tell us a bit about why you are moving over to the Ex-Im Bank.

Ms. CONLIN. Senator, Mr. Chairman, the President has given me another opportunity to serve I think in an important capacity. It is one in which it allows me to take all the experience that I have gained in trade development and helping companies access international markets and to use that experience hopefully in the service of the Bank, where I do understand that for many of our exporters, access to capital and access to financing, is a critical ingredient in their ability to compete.

It is a very competitive environment out there. Not only am I grateful to the TPCC and to its architect for bringing together Government agencies so that companies can have an easier time of accessing resources, but I also know that because of the support that foreign governments give to their businesses, it is absolutely paramount that all agencies of the Government work together.

So it is my hope that I would bring experience from Commerce to the Ex-Im Bank and put it to good use.

Senator SARBANES. You have been Secretary Evans' designated representative over at the Export-Import Bank.

Ms. CONLIN. Yes, Senator.

Senator SARBANES. He is an ex officio member of its Board. So I guess you have formed some opinions about its operation; I mean, you have seen them from the inside, so to speak.

Do you think the Bank could be more aggressive in providing financial assistance to U.S. exporters and in particular in responding to export subsidies that are provided by foreign nations to foreign competitors?

Ms. CONLIN. Well, Senator, I have been very impressed with what I have seen with the work of the Bank—the work of the career professionals there, the rigorous analysis that they give to transactions.

I also know that we live in a very competitive environment. I would say that if confirmed, I would look forward to working with Chairman Merrill and the members of the board to make sure the products and services that Ex-Im Bank provides continue to meet the challenges that we see with foreign government competition.

Senator SARBANES. When we did the reauthorization last year in this very Committee, we authorized the Ex-Im Bank charter through 2006. But we are watching the Ex-Im Bank closely even though they do not have to come back for their charter for a while.

That legislation significantly strengthened the authority of the Ex-Im Bank over the Tied Aid Credit War Chest, and it also gave the Ex-Im Bank explicit authority to match market window financing provided by other governments.

I think the Congress sent a very clear signal that while the most preferred situation would be where no one was underwriting, and the companies competed on the basis of price and quality—and we are very frank to say we think if our people have a level playing field in that regard, they will do okay for themselves—but the real concern, of course, is when they get on a playing field that is not level, because other governments are providing significant support to their companies in bidding for these export opportunities.

I just underscore that to you, because I do think that the Congress in the course of reauthorizing the Bank's charter sent a very clear message that we wanted these resources that are being provided to the Bank to be used to help create a level playing field for our exporters.

We also in that measure increased the percentage of Ex-Im Bank financing that must go to small business from 15 to 20 percent. I think that represents a challenge for the Bank. I wonder if you have any feel for how that is proceeding.

Ms. CONLIN. I agree with you, Senator, that we in the U.S. Government should do everything we can to address trade-distorting measures and to eliminate them, and as I understand it, Ex-Im Bank has been working very vigorously within the OECD to do exactly that.

I think at the same time, if confirmed, I would be prepared to address foreign competition with all the tools necessary to meet that competition.

And last, let me just say that as a former small business owner—and I am proud that I had a wonderful father who gave me the best business lessons and life lessons of my lifetime—I look forward to working with small and medium-size businesses and seeing that,

if confirmed, I can work with the Bank in continuing to meet and surpass that 20 percent goal.

Senator SARBANES. Yes, I think that was an initiative initially put forward by Senator Allard.

Chairman SHELBY. Yes, that is right.

Senator SARBANES. And it is one that commanded support on the Committee, and we want to keep developing that small business dimension, recognizing nevertheless the interests that our very large companies also have in the Ex-Im Bank.

I know that as Assistant Secretary of Commerce for Trade Development, you have been involved in the work of the TPCC, and I appreciate the kind remarks about the Committee. Do you have any perception about how the Coordinating Committee is functioning?

Ms. CONLIN. Senator, I think it is functioning very well. I think it has many opportunities for even greater cooperation among agencies and departments. Let me just give you an example.

Through the TPCC, our Advocacy Center worked very closely with Ex-Im Bank in creating a letter of interest whereby a company or an interested business can come forward to the Advocacy Center and at the same time get a letter of interest for preliminary financing from Ex-Im Bank, bundle that together, and have a much more competitive bid going forward. They have just started that process, but I think that bodes well.

That is just a small example of what is possible through working within the TPCC. So, I am encouraged by what has taken place, and I look forward to continuing to work within the TPCC.

Senator SARBANES. That is a very good example, because on the ground where these businesses are trying to compete, that really counts, I would think, yes.

Ms. Keenum, if I could ask you just a few questions. When we passed the Export Enhancement Act in 1992 which came out of this Committee, where we set up the TPCC, we also directed the Commerce Department's United States and Foreign Commercial Service to promote exports by utilizing district and foreign offices as one-stop shops for U.S. exporters to provide exporters with information on all export promotion and export financing activities of the Government and to assist them in identifying what programs could be helpful to them and assist them in making contacts with the Federal program. This was a place that exporters could go—again, small and medium. The extremely large companies have their own shop, and they are pretty well plugged into the system, but we need to provide this information for medium and smaller companies.

The Commerce Department, pursuant to that requirement, developed a network of one-stop shops across the country—the so-called U.S. Export Assistance Centers. The first one was established in Baltimore, I am pleased to say, in 1994, and by all accounts has been doing a pretty good job. Recently, the rumor surfaced that they were thinking of moving the shop out of Baltimore—I guess I should say out of the Port of Baltimore, so to speak.

Do you know the status of that location with respect to that Export Assistance Center?

Ms. KEENUM. Senator, my understanding of the status is that it is being resolved with your capable staff's assistance in securing some GSA-approved locations, and it is being resolved to your satisfaction and our mutual benefit.

If confirmed, please know that if there is no resolution, I will diligently work to have immediate resolution to your satisfaction.

Senator SARBANES. All right. I think it is important when you locate these Export Assistance Centers that their location command the support of State and local people and the local businesses and so forth, and that its location is not simply a matter totally within the discretion of whoever is heading the office at the particular time. There are broader and objective considerations that go into the location. They were involved in locating it there in the first place, and to my view are still valid, and just because it might serve a particular personal preference of the director of the office is not adequate grounds for determining its location.

You do not have to answer that. I will just leave that with you.

The other is the Commercial Service I think has an important role to play working through the Commerce Department in the TPCC. Of course, the Secretary of Commerce is the Chair of the TPCC—actually, the Chairman of the Ex-Im Bank is the Vice Chair. So, I would anticipate the Commercial Service—it has been playing that role—I am sure you anticipate that it would continue to do so.

Ms. KEENUM. Absolutely, yes, sir.

Senator SARBANES. How many people work for the United States Foreign and Commercial Service?

Ms. KEENUM. We have about 1,600 dedicated public servants. We have about 335 domestically, and we have an additional 150 or so, if you will, in headquarters in Washington DC who provide the support to our domestic and global field team. And then we have approximately 1,100 people posted in 80 countries internationally. Of those, 300 are foreign service officers. That should come to about 1,600, Senator.

Senator SARBANES. Are the other 800 foreign hires?

Ms. KEENUM. Yes, sir, foreign service nationals.

Senator SARBANES. And how are they picked, the foreign hires? Presumably, the offices overseas are headed up by a foreign service officer—is that right—

Ms. KEENUM. My understanding, yes, sir, correct.

Senator SARBANES. —or by a U.S. career person.

Ms. KEENUM. Yes, sir.

Senator SARBANES. Okay. Now, the foreign hires in those offices, these would be presumably citizens of the country in which the office is located; is that right?

Ms. KEENUM. Yes, sir. My understanding is that is correct.

Senator SARBANES. And how are they selected; do you know?

Ms. KEENUM. Senator, in my earlier statement, I had expressed that if confirmed, one of the first things that I want to do is to assess the inventory of not only the Commercial Service's products and services but also the entire delivery system.

I would be glad in my assessment in a more immediate form, if you should require, to provide that confirmation to you in writing

in terms of the exact hiring process for foreign service nationals at our international posts.

Senator SARBANES. You do not need to do it for purposes of this enterprise, but I am encouraged to hear that you have that on your agenda, because I think it might benefit us for you to take a careful look at how that—I mean, you would be a new person, so you would have a new, fresh look at things, and I think I would encourage you to do that.

Mr. Chairman, I must say that I think this area of our activity has been working pretty well, both the Commerce Department and the Ex-Im Bank, and I think the degree of professionalism has increased and improved. I think it is important that that be the case. After all, they are there to serve all of our citizens without regard to their politics, and there is an important national interest involved in these companies being well-served, so I am pleased to join with you in welcoming these nominees.

I have no further questions.

Chairman SHELBY. Senator Sarbanes, we know on the Banking Committee that you, as a Member and also when you were Chairman, took a lot of interest in international trade and export, and I want to note that for the record.

Ms. Conlin, Ms. Keenum, we look forward to supporting your nominations. We want you to do a good job because these are important jobs in America.

Thank you for appearing before the Committee. Thank you for your patience in waiting.

Ms. CONLIN. Thank you, Mr. Chairman. Thank you, Senator.

Ms. KEENUM. Thank you, Mr. Chairman, Senator Sarbanes.

Chairman SHELBY. The hearing is adjourned.

[Whereupon, at 12:20 p.m., the hearing was adjourned.]

[Prepared statements, biographical sketches of the nominee, and response to written questions supplied for the record follow:]

PREPARED STATEMENT OF SENATOR JACK REED

I would like to thank Chairman Shelby and Senator Sarbanes for scheduling this nomination hearing. This is an important process, and I appreciate the willingness of all of our nominees to become public servants.

However, I would like to focus my statement this morning on Mr. Jackson's nomination.

Mr. Jackson, you have been nominated for a position that requires you to manage an agency that has responsibility for some of the most vulnerable families in this country. Many of these people are elderly or disabled or just plain out of luck. As a result, if confirmed, you often will be in the position of being their primary champion.

One of your chief responsibilities in this area is going to be advocating within the Administration for appropriate resources for our Nation's housing programs. Given the current budget environment and Administration proposals like the \$1.6 billion cut in the Section 8 voucher program, this part of your job will be extremely tough, but vitally important to working families across the country who are finding it more and more difficult to afford housing.

Unfortunately, the very strength of the housing sector in our economy has been causing rental and homeownership costs to go up dramatically, yet wages have not kept pace, making housing less affordable for many working families.

Only 131 of the single-family homes currently for sale in my own State of Rhode Island are considered affordable by our State housing finance agency—meaning a family earning \$47,280 or 80 percent of our State's median family income can afford them. This represents only 5.5 percent of the homes on the market. Rhode Island's homeownership rate fell for the second year in a row to just 59.6 percent in 2002. This is 8.3 percentage points below the 2002 national homeownership rate of 67.9 percent. Not surprisingly, the number of apartments working families can afford to rent in my State has also declined significantly. Only one in every two renter households in Rhode Island is able to afford the standard rent for a two-bedroom apartment.

Rhode Island is not an anomaly. For the fifth year in a row, the National Low Income Housing Coalition, in its "Out of Reach" report shows that there is no place in the United States, urban or rural, where the minimum wage is enough to afford the standard rent for a two-bedroom apartment.

Working hard and playing by the rules is increasingly not enough to afford housing for many families.

We also have seen an increase in homelessness during the past several years. According to the latest U.S. Conference of Mayors (USCM) Report on Homelessness, homelessness has increased nationwide. The report states that "requests for emergency shelter assistance increased by an average of 13 percent." As USCM President and Hempstead, New York Mayor James A. Garner said in the press release announcing the report: "This survey underscores the impact the economy has had on everyday Americans. The face of homelessness has changed and now reflects who we least suspect." Working families and children are a part of the changing face of homelessness.

Although I appreciate and support the Administration's commitment to ending chronic homelessness in 10 years and proposals like the Samaritan Initiative, the Administration's budget does not contain adequate resources for the 150,000 housing units needed each year for the next 10 years to end chronic homelessness, let alone the budget resources to renew the rent subsidies of those disabled homeless people who used to be chronically homeless. Nonetheless, if you are confirmed as Secretary of HUD, I hope that we can work together to adequately fund these commitments, in addition to reauthorizing the housing titles of the McKinney-Vento Act.

Even if all the HUD voucher programs are adequately funded, they are of little use if there is no housing to use them on. As I mentioned to you when we met a few weeks ago, I believe that the Federal Government can and should do more to incentivize the private market to build mixed-income housing for working families. I plan on introducing a bill shortly that I think will help remedy this problem.

I must also express my disappointment in the Administration's \$35 million cut to the HUD Office of Lead Hazard Control. Despite Congress' bipartisan commitment to increase funding for this program so that we can eliminate childhood lead poisoning in our nation's housing stock, the Administration continues to ask for substantially less money than Congress has appropriated.

Finally, if you are confirmed, you will also be responsible for continuing improvements in HUD's management and operations. HUD has made modest progress during the past several years, yet as GAO's latest management report reflects, two sig-

nificant HUD programs still remain on the high risk list. This report also cites serious management deficiencies, especially in human capital management. I hope that, if you are confirmed, you will promptly fix these management deficiencies.

I look forward to the testimony of all of our nominees today.

PREPARED STATEMENT OF SENATOR JON S. CORZINE

Thank you, Mr. Chairman.

I had the pleasure of meeting with Acting Secretary Jackson just a couple of weeks ago. There is no doubt in my mind that he clearly possesses the credentials and expertise necessary to lead the Department of Housing and Urban Development.

His long tenure at the Housing Authority of Dallas and his work as Deputy Secretary of HUD are only two examples of his qualifications for this job.

Mr. Chairman, I am concerned, however, that Mr. Jackson has, alongside Former Secretary Martinez, presided over some of the largest cuts to our Nation's housing programs.

This includes elimination of the Public Housing Drug Elimination Program (PHDEP), proposals to eliminate the HOPE VI and the Empowerment Zones program, and significant reductions in the public housing operating fund and capital fund. And, now, HUD and the President have a proposal on the table that grossly underfunds the Section 8 program, one of the most critical low-income housing programs in this country, by \$1.6 billion.

The Administration has justified these cuts to the Section 8 program by arguing that, as it is structured currently, the program is underutilized.

The truth is, however, that according to HUD's own data and CBO's data, almost 97 percent of Section 8 vouchers are likely to be used in fiscal year 2004.

A 97 percent utilization rate is very high, particularly given the fact that you have so many people moving in and out of the program.

The Center on Budget and Policy Priorities has estimated that in the next 5 years New Jersey alone 25,000 families would lose their vouchers under this proposal.

This is a raw deal for New Jersey and a raw deal for the country's low-income working families, too many of whom struggle to find an affordable place to live.

Mr. Chairman, Mr. Jackson has told me that he is committed to preserving HUD's commitment to affordable housing and community development. And, while I think he is committed to this mission, he should know that this Senator plans to hold his feet to the fire.

PREPARED STATEMENT OF LINDA MYSLIWY CONLIN

MEMBER-DESIGNATE, BOARD OF DIRECTOR
EXPORT-IMPORT BANK OF THE UNITED STATES

FEBRUARY 26, 2004

Mr. Chairman, Senator Sarbanes, distinguished Members of the Committee, it is an honor and a privilege to appear before you today as the President's nominee to become a Director at the Export-Import Bank of the United States.

I appreciate the confidence that President Bush has placed in me and am deeply grateful to the President for giving me another opportunity to serve my country. If confirmed, I look forward to working with the Members and staff of this Committee.

I would like to recognize my husband, Joe, and my 87-year-old mother, Helen Mysliwy, who are both here with me today. I would also like to recognize my colleagues from the Department of Commerce and the fine team from the Ex-Im Bank who have provided me with enormous support.

I know the Committee has my biographical information, so I will not go into the details of my qualifications but ask that they be submitted with this oral statement.

Two years and 7 months to the day, I had the honor of appearing before the Members of this Committee to ask for your consideration of my nomination to serve as Assistant Secretary of Commerce for Trade Development. My commitment today remains the same as it was then: If confirmed, to help American exporters and workers succeed in an increasingly competitive global economy. Exports of goods and services in this country support more than 12 million jobs, good jobs, paying as much as 18 percent more than the average.

I am, however, mindful of what Secretary of Commerce Don Evans, whom I have been very proud to serve, often says, "that governments do not create wealth and prosperity: People do. It is government's role to create the right conditions in which America's workers and businesses will flourish."

Creating the right conditions to grow export-related jobs means providing exporters with tools to compete in today's global marketplace. During my 19 years in Federal and State Government, I have helped companies, both large and small, gain access to world markets by providing the support to reach those markets.

In trade development, I work alongside a group of over 370 dedicated professionals, including trade and industry specialists whose mission is to help strengthen the export competitiveness of diverse sectors of the U.S. economy, from traditional manufacturing to information technologies and service exports. These specialists provide data and analysis critical to the development and monitoring of the impact of our trade agreements, ensure that industry perspectives are taken into consideration in trade negotiations through an advisory committee system, and offer general export assistance as well as advocacy for companies competing for large foreign government tenders.

Representing Secretary Evans as an *ex officio* member of Ex-Im Bank's Board of Directors, I also have come to appreciate the critical role that access to export and project financing plays in enabling our companies to compete.

I know that today's small and medium-sized businesses represent 97 percent of all exporters, yet generate 30 percent of this country's exports. Two-thirds of these companies export to just one market. I am pleased to see that the Ex-Im Bank has placed a priority on cooperation among the 19-members of the Trade Promotion Coordinating Committee to leverage Federal resources in reaching this important community of potential exporters.

If confirmed, I look forward to helping Chairman Merrill implement his broad vision in providing competitive products to the new knowledge-based service economy as well as traditional industries.

I look forward to working with Committee Members, Chairman Merrill, Vice Chair Foley, Directors Grandmaison and Cleland, the career professionals at the Ex-Im Bank, the Administration's trade team and the exporting community in meeting this challenge.

Mr. Chairman, Senator Sarbanes, Members of the Committee, I respectfully ask for your favorable consideration of my nomination and will be pleased to respond to your questions.

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES
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Name:

Jackson, Alphonso R.

Position to which nominated:

Secretary of the U.S. Department of Housing & Urban Development

Date of nomination:

January 28, 2004

Date of birth:

September 9, 1945

Place of birth:

Marshall, TX

Marital Status:

Married

Full Name of Spouse:

Marcia Ann Jackson

Name and ages of children:

Annette Watkins, 35 Lesley Jackson, 22

Education:

Washington University School of Law – JD, 1973

Truman State University – MA Educational Administration, 1969

Truman State University – BS Political Science, 1968

St. Peter's Preparatory College – Diploma, 1964

Honors and awards: List below any scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement.

Doctor of Humane Letters – Voorhees College, 2003

Doctor of Humane Letters – Texas Southern University, 2002

Lifetime Achievement Award – American Family Life Assurance Company (AFLAC), 2001

President's Award for Distinguished Service – Truman State University, 1999

Chairman's Award – National Boys and Girls Clubs of America, 1997

Aspen Fellow – The Aspen Institute, 1995

National Tree of Life Award – Jewish National Fund of New York, 1994

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

NONE

Employment record: List below all positions held since college, including the title or description of job, name of employment, location of work, and dates of inclusive employment.

2001-2004	Deputy and Acting Secretary, U.S. Department of Housing and Urban Development – Washington, DC
2000-2001	President, American Electric Power-Texas – Austin, TX
1998-2000	President, Central and South West-Texas Corporation – Dallas, TX
1996-1998	Vice President, Corporate Resources, Central and South West Energy and International, Inc. – Dallas, TX
1989-1996	President & CEO, Dallas Housing Authority – Dallas, TX
1987-1989	Director, District of Columbia Department of Public & Assisted Housing – Washington, DC
1987-1989	Chairperson, District of Columbia Redevelopment Land Agency – Washington, DC
1984-1987	Director, Lavenethol and Horwath – St. Louis, MO
1981-1983	Deputy and Interim Executive Director, St. Louis Housing Authority – St. Louis, MO
1977-1981	Director, Department of Public Safety, City of St. Louis – St. Louis, MO
1973-1977	Assistant Professor, University of Missouri - St. Louis Campus – St. Louis, MO
1973-1974	Assistant to the Chancellor for Special Projects, University of Missouri - St. Louis Campus – St. Louis, MO
1969-1970	Administrative Assistant, Webster Grove Public Schools – Webster Grove, MO

Government experience: List any experience in or direct association with Federal, State, or local governments, including any advisory, consultative, honorary, or other part time service or positions.

2001-2004 Deputy and Acting Secretary, U.S. Department of Housing and Urban Development – appointed by President George W. Bush

1998-2003 Regent and Chair, Texas Southern University Board of Regents – appointed by Texas Governor George W. Bush

1995-1998 Commissioner and Chair, General Services Commission – appointed by Texas Governor George W. Bush

1994-2001 Regent, Truman State University Board of Regents – appointed by Missouri Governor Mel Carnahan

1991-1993 Member, National Commission on American Urban Families – appointed by President George Bush

1991-1993 Member, National Welfare Simplification and Coordination Advisory Committee – appointed by Agriculture Secretary Edward Rell Madigan

1990-1992 Member, Regional Selection Panel for the White House Fellows Program

1989-1996 President & CEO, Housing Authority, City of Dallas, TX

1989-1992 Member, National Commission on Severely Distressed Public Housing – appointed by HUD Secretary Jack Kemp

1987-1989 Director, District of Columbia Department of Public & Assisted Housing

1987-1989 Chairperson, District of Columbia Redevelopment Land Agency

1981-1983 Deputy and Interim Executive Director, Housing Authority, City of St. Louis, MO

1977-1981 Director, Department of Public Safety, City of St. Louis, MO

1973-1977 Assistant Professor, University of Missouri - St. Louis Campus

1973-1974 Assistant to the Chancellor for Special Projects, University of Missouri - St. Louis Campus

1969-1970 Administrative Assistant, Webster Grove Public Schools – Webster Grove, MO

Published Writings: List the titles, publishers and dates of books, articles, reports or other published materials you have written.

"State Juvenile Court's Use of Consent Decrees: A Critical Analysis" Contributing author of a chapter in the book, "Legal, Morality and Ethics In Criminal Justice", Praeger Press, 1979

"Commitment of Juveniles: A Criticism of State Juvenile Court's Use of Consent Decrees", Juvenile Justice, Vol. 1. 1976

"The Courts and Black Education: A Legal Assessment", Contributing author of a chapter in the book, "Desegregation to Integration: A Method", Missouri University publication, 1975

"Probation and Parole Revocation: The Difference Between the Two and Some Proposals for Improving Both", Howard University Law Journal, Vol. 18, No. 2, 1974

Political Affiliations and activities: List memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

Executive Committee, Presidential Inaugural Committee, 2001

Assistant Secretary, Republican National Convention, 2000

Pioneer, Exploratory Committee, Governor George W. Bush for President, 1999

Executive Committee, Exploratory Committee, Governor George W. Bush for President, 1999

Executive Committee, Texas Gubernatorial Inaugural Committee, 1998

Committee to Elect Senator Phil Gramm President, 1995

Committee to Elect Rick Perry Lieutenant Governor of Texas, 1994

Executive Committee, Elect George W. Bush Governor of Texas, 1994

Political Contributions: Itemize all political contributions of \$500 or more to any individual, campaign organization, political party, political action committee or similar entity during the last eight years and identify specific amounts, dates and names of recipients.

\$1000 contributed to Bush Cheney 2004, Inc., 2004

\$2000 contributed to Republican National Committee, 2001

\$500 contributed to Bush for President, Inc., 1999

\$500 contributed to Jeb Bush for Governor, 1998

Qualifications:

Please see the attached HUD biography.

Future employment relationships:

1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate. NO

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization. NO

3. Has anybody made you a commitment to a job after you leave government? NO

4. Do you expect to serve the full term for which you have been appointed? YES

The Honorable Alphonso Jackson

United States Acting Secretary of Housing and Urban Development



Alphonso Jackson has a wide range of experience in housing, finance, and management. He is a noted authority in public housing and community development.

On December 12, 2003, President George W. Bush announced he will nominate Alphonso Jackson to become the 13th Secretary of the Department of Housing and Urban Development. Jackson was nominated by President Bush on March 9, 2001, to become HUD's Deputy Secretary and was unanimously confirmed by the Senate on June 3, 2001, and took the oath of office on June 6, 2001.

As the Chief Operating Officer and Deputy Secretary of HUD, Jackson managed the day-to-day operations of the \$32 billion agency with a core mission of providing affordable housing and promoting community and economic development.

Acting Secretary Jackson was most recently the President of American Electric Power-TEXAS, a \$13 billion utility company, located in Austin, Texas.

From January 1989 until July 1996, Jackson was President and CEO of The Housing Authority of the City of Dallas, Texas, a \$100 million operation.

Previous to The Housing Authority of the City of Dallas, Jackson was Director of the Department of Public and Assisted Housing in Washington, D.C., for the \$137 million operation. Also, he served as Chairperson for the District of Columbia Redevelopment Land Agency Board.

Jackson holds a bachelor's degree in political science and a master's degree in education administration from Truman State University and a law degree from Washington University School of Law.

In 1977, Jackson became the Director of Public Safety for the City of St. Louis. Jackson also served as executive director for the St. Louis Housing Authority; a director of consultant services for the certified public accounting firm of Laventhol and Horwath-St. Louis; and special assistant to the chancellor and assistant professor at the University of Missouri.

Jackson previously served on the following Boards: JP Morgan Chase & Co.-Texas; Zale-Lipshy University Hospital; The Nature Conservancy of Texas; Voyager Expanded Learning, Inc.; The Hockaday School; Truman State University; Dallas Citizens Council; Dallas Theater Center; Episcopal School of Dallas; Boy Scouts of America, Dallas Metropolitan and the U.S. Chamber of Commerce.

Jackson was presented the AFLAC - 2001 Lifetime Achievement Award, the National Boys & Girls Clubs of America - 1997 Chairman's Award and The Aspen Institute - 1995 Aspen Fellow.

Jackson has received Presidential and other Appointments: The National Commission on America's Urban Families (92-93); Member of the Regional Selection Panel for the White House Fellowship Programs (90-92) and a Member of The National Commission on Severely Distressed Public Housing (90-92). In addition, Jackson was a member of the National Welfare Simplification and Coordination Advisory Committee (92-93) and served as Chairman of the General Services Commission of the State of Texas (95-98).

Potential conflicts of interest:

1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

As former President of the American Electric Power-Texas Corporation, I continue to participate in the corporation's defined benefit pension plan.

Pursuant to a separation partnership agreement, I will receive periodic payments over the next four years for my prior contribution of services to Columbia Residential, LLC, Atlanta, GA.

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

Columbia Residential, LLC, Atlanta, GA – See above response in question number one.

My spouse is owed consulting fees from Kennedy and Associates, a former client, that currently participates in a housing project funded through the U.S. Department of Housing and Urban Development.

3. Describe any business relationship, dealing or financial transaction (other than tax paying) which you have had during the last 10 years with the Federal Government, whether for yourself, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

NONE

4. List any lobbying activity during the past ten years in which you have engaged in for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or affecting the administration and execution of national law or public policy.

NONE

5. Explain how you will resolve any conflict of interest that may be disclosed by your responses to the items above.

I have recused myself, pursuant to 18 U.S.C. 208, from participating personally and substantially in any particular matter that will have a direct and predictable effect on the ability or willingness of Columbia Residential, LLC to satisfy its obligation to me. I am also recused from participating in any particular matters that will have a direct and predictable effect on the ability or willingness of American Electric Power Corporation to provide its pension benefit to me. Further, I am recused under 5 C.F.R. 2635.502 from participating in particular matters involving specific parties in which either entity is or represents a party.

I am also recused from participating in any particular matter that may have a direct and predictable effect on the financial interest of Kennedy and Associates, a former client of my spouse, or any of my spouse's current clients: Metroplex Industries of Houston, Texas; Africa Global of Washington, D.C.; or Magnaflow Environmental of Houston, Texas; or in any matter in which any of these entities is or represents a party.

I have resigned my position as Regent of Texas Southern University in Houston, Texas in October 2003, and for one year I will not participate in any particular matter involving specific parties in which Texas Southern University is or represents a party pursuant to 5 C.F.R. 2635.502.

Further, in order to avoid potential conflicts and the appearance of conflict, I have established a screening mechanism in my immediate office, including the Executive Secretary, to fully implement my ethics agreement. I will consult HUD ethics officials whenever a potential conflict issue arises.

Civil, criminal and investigatory actions:

1. Give the full details of any civil or criminal proceeding in which you were a defendant or any inquiry or investigation by a Federal, State, or local agency in which you were the subject of the inquiry or investigation.

In my role as President and CEO of three major housing authorities, St. Louis, Washington, DC and Dallas, I was named as a defendant in multiple lawsuits. I was never held personally liable in any of the civil suits.

The local representative of the Los Angeles National Federation of Federal Employees Union (NFFE) filed an inquiry with the Federal Labor Relations Authority (FLRA) alleging an unfair labor practice (ULP). The FLRA San Francisco Office investigated the claim, determined that a ULP had occurred (albeit unintentional), and the FLRA executed a Settlement Agreement with HUD to resolve the matter through a normal posting procedure.

2. Give the full details of any proceeding, inquiry or investigation by any professional association including any bar association in which you were the subject of the proceeding, inquiry or investigation.

NONE

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES
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Name:	Conlin	Linda	Mysliwy
	(Last)	(First)	(Other)

Position to which nominated: Member of the Board, Export-Import Bank of the United States

Date of nomination: January 7, 2004

Date of birth:	25	Jan.	1948	Place of birth:	Springfield, Massachusetts
	(Day)	(Month)	(Year)		

Marital Status: Married

Full name of spouse: Joseph F. Conlin, Jr.

Name and ages of children: N/A

Education:	Institution	Dates attended	Degrees received	Dates of degrees
	Univ. of Massachusetts	1971	Master's Graduate Studies: Theater	Graduate Coursework
	Indiana University	1969-70	Master's Graduate Studies: French and Russian Languages	Graduate Coursework
	Univ. of Massachusetts	1965-9	Bachelor of Arts, French Language and Literature	1969

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships and any other special recognitions for outstanding service or achievement.

During my tenure as Director with the New Jersey Commerce and Economic Growth Commission, I was the recipient of awards highlighting outstanding contributions made to New Jersey's travel and tourism industry. From 1989-1993, as Assistant Secretary of Commerce for Tourism Marketing, I was recognized by the U.S. travel and tourism industry for achievement in promoting U.S. tourism exports. During this period, I received recognition for excellence in tourism from then-Governor Weld of Massachusetts.

As President of Park-Main Travel, from 1972-1981, I was recognized for leadership in the tourism industry. The Agency ranked among the top tourism

businesses in Southern New England for airline sales productivity.

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Office held (if any)	Dates
New Jersey Travel Industry Association		1994-9
Travel Industry Association of America		1989-1993
American Society of Travel Agents		1972-1981

Employment record: List below all positions held since college, including the title or description of job, name of employment, location of work, and inclusive dates of employment.

U.S. Department of Commerce	Asst. Sec. For Trade Development	Aug. 2001-Present
Presidential Inaugural Committee Washington, D.C.	Communications Coordinator	Jan. 2001
Victory 2000	SE Pennsylvania Coordinator	Oct. – Nov. 2000
Republican National Convention	Deputy Program Director	April – Aug. 2000
The Conlin Group Cherry Hill, NJ	Consulting Services	Feb. 1999-April 2000
New Jersey Commerce and Economic Growth Commission	Executive Director	Feb. 1994- Feb. 1999
U.S. Department of Commerce	Asst. Sec. for Tourism Marketing	Feb. 1989-Jan. 1993
U.S. Information Agency	Associate Director Private Sector Committees Corporate Liaison, US/USSR Initiative	Sept. 1986-Feb 1989
U.S. Department of State	Protocol Officer, Visits	Aug. 1982-Sept. 1986
Park-Main Travel Agency	President	Aug. 1972 –Nov. 1981

Government experience: List any experience in or direct association with Federal, State, or local governments,

including any advisory, consultative, honorary or other part time service or positions.

U.S. Department of Commerce	Asst. Sec. For Trade Development	Aug. 2001-Present
New Jersey Commerce and Economic Growth Commission	Executive Director	Feb. 1994- Feb. 1999
U.S. Department of Commerce	Asst. Sec. for Tourism Marketing	Feb. 1989-Jan. 1993
U.S. Information Agency	Associate Director Private Sector Committees Corporate Liaison, US/USSR Initiative	Sept. 1986-Feb 1989
U.S. Department of State	Protocol Officer, Visits	Aug. 1982-Sept.1986

Published

Writings: List the titles, publishers and dates of books, articles, reports or other published materials you have written.

**Political
Affiliations
and activities:**

List memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

Republican National Committee President's Club		2000 - Present
New Jersey State Republican Committee		1994- Present
Victory 2000	SE PA Coordinator	Oct. – Nov. 2000
Republican National Convention	Deputy Program Director	April – Aug.2000

Political

Contributions: Itemize all political contributions of \$500 or more to any individual, campaign

organization, political party, political action committee or similar entity during the last eight years and identify specific amounts, dates, and names of recipients.

11/ 18/03	RNC – The President's Club	\$750
6/03/03	RNC - The President's Club	\$500
2/25/02	RNC - The President's Club	\$750
7/19/01	RNC - The President's Club	\$250
10/31/00	RNC - The President's Club	\$500
9/26/00	RNC – Presidential Trust	\$500
3/31/00	RNC - Bush for President	\$250
6/18/99	Bush for President	\$500
6/18/99	George W. Bush Presidential Exploratory Committee	\$500

Qualifications: State fully your qualifications to serve in the position to which you have been named. (attach sheet)

Future employment relationships:

1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate.

I am currently serve as Assistant Secretary of Commerce for Trade Development:
I would expect to continue to work with the Department on trade-related matters.

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization.

I have no plans at this time to reactivate the Conlin Group after government service.

3. Has anybody made you a commitment to a job after you leave government?

No.

4. Do you expect to serve the full term for which you have been appointed?

Yes.

Potential conflicts of interest:

1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

N/A.

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

N/A.

3. Describe any business relationship, dealing or financial transaction (other than tax paying) which you have had during the last 10 years with the Federal Government, whether for yourself, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

N/A.

4. List any lobbying activity during the past ten years in which you have engaged in for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or affecting the administration and execution of national law or public policy.

N/A.

5. Explain how you will resolve any conflict of interest that may be disclosed by your responses to the items above.

N/A.

Civil, criminal and investigatory actions:

1. Give the full details of any civil or criminal proceeding in which you were a defendant or any inquiry or investigation by a Federal, State, or local agency in which you were the subject of the inquiry or investigation.

N/A.

2. Give the full details of any proceeding, inquiry or investigation by any professional association including any bar association in which you were the subject of the proceeding, inquiry or investigation

N/A.

Attachment B: Qualifications

I bring to this position nineteen years of public service at both the Federal and State levels, including seven years managing trade policy and export promotion programs. During my tenure as Assistant Secretary of Commerce for Trade Development, I have had responsibility for a \$67M budget and worked with over 370 industry sector specialists, who work to develop new markets and promote the export of U.S. products and services. Industry sector specialists cover diverse sectors of the U.S. economy, from traditional manufacturing to information technology and services. In this regard, I have managed programs that conduct industry and trade research and analysis, provide export assistance, advocate on behalf of U.S. companies competing for foreign government contracts, and that help shape and implement U.S. trade policy to advance U.S. interests and increase exports in the global marketplace. Throughout, I have worked to see that industry's views are taken into consideration in the development of trade policy and promotion programs and have overseen the restructuring of our industry sector advisory committees and the establishment of the President's Export Council.

From conducting trade missions to open new markets for U.S. companies to addressing technical and other barriers that restrict access to trade, I have worked to assist companies in expanding exports and the jobs that create. The priority has always been, as U/S Aldonas noted in his confirmation hearing, "to expand opportunities for American business (by) concentrating resources in ways that are likely to provide the greatest pay-off for American businesses trying to gain access to world markets...identifying promising targets for our exporters and providing support to reach those markets." The challenge remains how best to coordinate and leverage resources within the U.S. government to reach the universe of potential and current exporters. Within ITA, I have advocated for and provided input in the structuring of programs to develop and integrate planning across program units, which will more closely align resources with targeted opportunities to strengthen trade and expand exports. Similarly, if confirmed, I would look forward to identifying ways to expand coordination among TPCC agencies and departments to enable the U.S. government to optimize resources in reaching more small and medium-sized businesses and to provide increasingly competitive products and services to exporters.

As Assistant Secretary of Commerce for tourism trade development and marketing under former President Bush, I worked closely with U.S. tourism businesses and destinations to help them access new markets and expand international tourism exports, which represent one of this country's largest service exports. With a budget of \$11M and a worldwide network of thirteen field offices in key tourism-generating markets, I introduced new, regional programs designed to focus and leverage resources between public and private sector partners for greater market penetration. Later, at New Jersey's Commerce and Economic Commission, I helped expand industry participation and break new ground in the State's top export market, Canada, by developing a coordinated and targeted export promotion program.

Lastly, I am equally proud of and grateful for my earlier years as a small business owner, where I owned and managed a successful multi-million dollar business. Working alongside my talented Father in a family-owned business, I learned important business and life lessons and gained a lifelong appreciation for the challenges and rewards of operating a business in a highly-competitive environment. This has served me well, and, I believe, will continue to serve me well, should I be confirmed as a Member of the Board of the Export-Import Bank of the United States. As Secretary of Commerce Don Evans often says, "The government doesn't generate wealth, the government doesn't create jobs...businesses do...the best thing government can do is to create an environment for these businesses to succeed." Throughout my career, it has been a privilege to be given the opportunity to help businesses be successful. If confirmed, I would look forward to making sure that our companies have access to export financing so that they can have the tools to compete and succeed in world markets.

I appreciate the Committee's consideration.

**COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS
UNITED STATES SENATE
STATEMENT FOR COMPLETION BY PRESIDENTIAL
EMPLOYEES**

Name:

Rhonda Newman Keenum

Position to which nominated:

Assistant Secretary and Director General of the United States & Foreign Commercial Service

Date of Nomination:

December 9, 2003

Date of Birth:

July 30, 1961

Place of Birth:

Waukegan, Illinois

Marital Status:

Married

Full Name of Spouse:

Mark Everett Keenum

Names and ages of children:

Not Applicable

Education:

Mississippi State University, 08/1981 to 05/1983
Bachelor of Business Administration, May 1983

Northeast Mississippi Community College, 08/1979 to 05/1981
Associate Arts, May 1981

Honors and Awards:

Phi Theta Kappa

Memberships:

Mississippi Society
Washington DC Junior League
Mississippi State Alumni Association

Employment Record:

12/2003 to Present Department of Commerce, International Trade Administration
Senior Advisor to the Under Secretary
Constitution Avenue, WDC

01/2000 to 12/2003	Edelman Public Relations, Senior Vice President 1875 Eye Street, NW, Suite 900, Washington, DC 20006
12/1997 to 01/2000	Ketchum Public Relations, Vice President 2000 L Street, NW, Suite 300, Washington, DC 20036
04/1997 to 12/1997	Taggart & Associates, Associate 1015 15 th Street, NW, Washington, DC 20006
01/1996 to 12/1996	Dole for President, Director of Surrogate Program 840 First Street, SE, Washington, DC
01/1995 to 01/1996	U.S. Congressman Roger Wicker, Administrative Assistant & Press Secretary 206 Cannon House Office Building, Washington, DC 20515
01/1993 to 01/1995	Republican National Committee, Deputy Director Convention & Meetings 310 First Street, SE, Washington, DC
11/91 to 01/1993	Bush Quayle Presidential Campaign, Political Operations 15 th Street, NE, Washington, DC
03/1990 to 11/1991	Republican National Committee, White House Liaison 310 First Street, SE, Washington, DC
10/1989 to 03/1990	General Services Administration, Schedule C Appointment 18 th Street, NE, Washington, DC
04/1985 to 04/1989	Deposit Guaranty National Bank, Customer Service Representative Main Street, Starkville, MS 39759
09/1984 to 04/1985	Withit Retail Store, Sales Clerk Starkville, MS 39759
07/1983 to 09/1984	Heritage CableVision, Purchasing Clerk Booneville, MS 38829

Government Experience:

U.S. Congressman Roger Wicker, Administrative Assistant & Press Secretary
General Services Administration, Schedule C Appointment

Published Writings:

Not Applicable

Political Affiliations and activities:

Victory 2000 – Volunteer – Director of Surrogate Activities
Dole for President 1996 – Paid Staff – Director of Surrogate Operations
Republican National Committee 1993 - 1995– Paid Staff – Convention and Meetings

Political Contributions:

Haley Barbour for Governor \$1,000 (2003)
George W. Bush \$1,000 (2000)

Mississippi Republican Party \$1,200 (\$300/annual)
 Gary Jackson for State Senate \$300 (2003)
 Charles Walden for State Senate \$250 (2003)
 Bill Hawks for Lt. Governor \$1,500 (1999)
 Bob Dole for President \$500 (1996)

Qualifications:

I believe that my 15-plus years of experience in managing national programs and field operations more than qualifies me for this position. I also have significant experience in developing and managing large and complex budgets; motivating and mentoring geographically dispersed employees; building strong partnerships with U.S. businesses, state and local governments and members of Congress; and setting clear priorities, goals and objectives.

Future employment relationships:

I did sever all connections with present employer (Edelman Public Relations).

I have no plans to resume employment, affiliation or practice with previous employer after completing government service.

No commitment made to me after I leave government.

I do expect to serve full term to which I have been appointed.

Potential conflicts of interest:

No financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which I will influence in the position to which I have been nominated.

No investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which I have been nominated.

No business relationship, dealing or financial transaction with Federal Government in last 10 years which might in any way constitute or result in possible conflict of interest with the position to which I have been nominated.

Indirect activity during the past 10 years which I engaged in to indirectly influence modification of legislation – Managed public affairs campaigns (earned media, coalition, grassroots activities) on behalf of client American Health Care Association – in 1999 and 2000. The objectives of the campaigns were to restore skilled nursing medicare beneficiary funding that had been cut as result of Balanced Budget Act of 1998. In 1999, Congress passed the Balanced Budget Refinement Act (BBRA) that restored \$2.7 billion to medicare beneficiaries in skilled nursing facilities. In 2000, Congress passed the Beneficiary Improvement and Protection Act that restored \$1.9 billion to medicare beneficiaries in skilled nursing facilities.

No conflicts of interest to resolve.

Civil, Criminal and investigatory actions:

No civil or criminal proceedings in which I was defendant or any inquiry or investigation by a Federal, State or local agency in which I was subject of the inquiry or investigation.

No proceedings, inquiry or investigation by any professional organization including any bar association in which I was the subject of the proceeding, inquiry or investigation.

**CEE****Coalition for
Employment through
Exports, Inc.**1100 Connecticut Avenue, NW
Suite 810
Washington, DC 20036(202) 296-8107
FAX (202) 296-9709

February 25, 2004

The Honorable Richard Shelby, Chairman
Committee on Banking, Housing and Urban Affairs
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

On behalf of our Coalition's members, I write to support the President's nomination of Linda Conlin to be a member of the Board of Directors of the Export-Import Bank.

In her current service as Assistant Secretary of Commerce for Trade Development, Ms. Conlin has established a solid record in support of U.S. export growth. She has a well-developed understanding of the fierce competition that American firms face in the global marketplace. Given her extensive interaction with Ex-Im Bank, she knows the key role that financing plays in trade competitiveness.

Our members who have worked with Ms. Conlin at the Commerce Department give her uniformly high marks for her responsiveness and for her commitment to expanding U.S. exports and helping to create more export-related jobs for American workers.

We are confident that Ms. Conlin would be an excellent member of the Bank's Board and we recommend that the Committee favorably report her nomination to the full Senate and that the Senate confirm her for this position.

Sincerely,

A handwritten signature in black ink, appearing to read "Edmund B. Rice".

Edmund B. Rice
President